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Story on Page

November 1954



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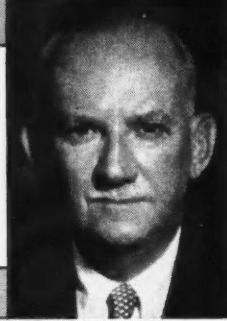
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229 Fourth Avenue

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Editorial



We Can Be Thankful

OUR pioneering forefathers set aside Thanksgiving Day to offer thanks to God Almighty for their bountiful harvests. Providence—and their own industry—had made it possible for them to lay in a good store of supplies for the hard winter months ahead, and they were grateful. In those days they gave thanks just for survival.

Today, we can be thankful for many things. We can still be thankful for large crops; starvation and famine are far from us. We can be thankful, too, that our generous harvests give us an opportunity to help less fortunate people.

We can be thankful that we have a right to speak out against our government, but because so few people still have that right we should use it sparingly. We should speak out against our government only when there is a real cause for doing so. But when there is we should not hesitate.

We can be thankful that whether we are Protestants, Catholics, Jews, Scientists, Buddhists, or of whatever religion, we can worship our own God in any way we see fit. We can go to our own church, meeting house, or synagogue, and find peace in prayer whenever we desire to do so.

We might ask ourselves whether because we have this privilege we accept it as commonplace. It would be better if we exercised it more, for this would be a true form of gratitude.

We can be thankful that we are a healthy nation.

We can be thankful that we have a wonderful form of government. We want always to keep it.

We can be thankful for our families. For so many generations we have accepted a family relationship as an inherent, inalienable right that it is hard for us to realize that in many countries, under the communistic regime, the family relationship is nothing. We, however, who have tasted the sweetness and wholesomeness of a family relationship, will defend it to our death.

We can be thankful that we have hands to build and to reap, to paint and to draw, to administer and to help.

On this Thanksgiving Day let us realize, above all things, that these possessions we have and the strength we have acquired are due not to physical strength but to the strength of the soul and it is the soul that belongs to God. This is why we should give thanks to Providence. If we do so we shall have a real Thanksgiving.

A handwritten signature in black ink, appearing to read "Henry H. Heimann".

HENRY H. HEIMANN
Executive Vice President

THE NOVEMBER COVER

COMING or going, up-to-date equipment for the offices of any business is very much the business of credit management. The credit manager is also the office manager in most companies; he is responsible for, or has a voice in, the purchase of the office equipment and supplies.

Hence his immediate interest in office output of his own company at maximum efficiency. This entails coupling time-and-space saving for low-cost production, by means of scientific physical arrangement and modern automation, with procedural control to achieve the best possible services of a clerical force given comfortable working conditions.

Too, credit management's stake in equipment and methods control goes beyond its own office production.

In the competitive era now being experienced generally, the credit manager



as a part of the selling team is vitally interested also in efficient operation by his company's customers, for their accounts receivable are in effect a part of his company's assets. More and more frequently credit management is in a position to advise the customer on means and methods to increase his net profit. Many an account's success or failure is spelled out by its administration, and today it is a duty of the credit manager to suggest ways in which the customer can reduce costs. One way is to help convince him that "saving" through use of obsolete equipment is actually wasting, by delaying collections, by retarding deliveries, by losing sales to alert competitors.

Recognizing that office work-flow to the account and the latter's profit value to the credit executive's own company are thus interlinked in improved operation, CREDIT AND FINANCIAL MANAGEMENT is concentrating attention in this issue upon presentation of firsthand field reports of installations which have solved office problems in a wide range of businesses.

Synchronizing the symposium with the concurrent National Business Show in New York, the cover picture is of an interested group at a demonstration of A. B. Dick office equipment by a company representative.

CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY * FINANCE * COMMERCE

General Manager, Edwin B. Moran
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WASHINGTON



THE OLD STORY of machine manufacturer's competitive advantage, foreign and domestic, over the handmade product popped up in President Eisenhower's prognosis of the ills of the hand-blown glass industry, when he turned down the Tariff Commission's recommendation that would have increased the duty rate up to 90 per cent ad valorem on certain items of hand-blown glassware items. He wrote the Senate finance and House ways and means committees that more tariff protection might give a measure of short-term relief but no comparative "real benefit" at long range.

Incidentally, the storm precipitated in Switzerland by the higher tariff protection given American watch manufacturers has not abated.

U.S. WILL PAY a share of freight costs of certain bulk foreign aid items produced in this country and shipped in U.S. bottoms, such as coal, coke and fertilizer, as a procurement program offering U.S. companies a chance to outbid foreign producers.

COMPANIES giving advertising allowances to certain customers must advise competing customers of the terms on which the allowances may be had, the Federal Trade Commission ruled. Failure so to inform other resellers "essentially represents concealment," and "for all practical purposes a withholding and denial of opportunity occur, and the law is violated," in the opinion of the commission.

Federal deficit estimates for the fiscal year to end July 1st have gone up \$1.8 billions in the new Eisenhower forecast of \$4.7 billions in contrast to his \$2.9 billion January prediction. Though the Budget Bureau says federal spending of \$64 billions will be \$1.6 billions below the earlier figure, revenue income under revised estimate at \$59.3 billions will represent a \$3.4 billion fall from the budget message prognostication.

Besides the given reason of tax reductions, there's the factor that while defense cost estimates were \$3 billions under the January estimate, \$1.4 billions were added for proposed civilian programs such as housing and highway construction.

ASSURING business that disposal of farm surplus commodities overseas would be handled in a "competitive price" manner that would not upset world markets, President Eisenhower by executive order made provision for administration of Congress-approved legislation for "orderly and gradual" movement of the products federally bought by support prices. The law permits giving away \$300 millions of the surplus goods and sale abroad of \$700 millions worth for foreign currency.

REVERSING its position as feed supply took on a sharper accent under drouth conditions, the Department of Agriculture dropped its announced ban on diversion of acreage and actually encouraged farmers to grow feed on land removed from production of wheat, corn and cotton. So Secretary Ezra Benson reported an increase of subsidy on feed shipped to drouth areas and postponement of decision on feed grain supports.

A minimum of 82½% of parity price support for next year's wheat crop, meaning at least \$2.06 a bushel for most wheat growers, was announced, with initial setting aside of 400 million bushels of wheat, one million bales of cotton.

WITH WITNESSES propounding a wide range of suggestions, the hearings on proposed revision of the General Agreement on Tariffs and Trade (GATT) produced scattered idea-ammunition for the U.S. delegation to the 34-nation November meeting at Geneva on reciprocal trade—and some duds. Spokesmen for farm groups and the tuna industry urged caution on matters of agricultural and foodstuffs imports. There were pleas for a stabilized foreign trade policy, for furtherance of the Administration's objective of a stronger reciprocal trade convention, for an "administrative law" approach to liberalizing trade and currency restrictions instead of an "absolute economic answer to every problem," for a basic policy amendment to the GATT agreement which each contracting party would apply to its own national legislation, for "adequate controls" over agricultural exports to this country, for preservation of our Congress' power of unilateral action, for representation of an industry in any discussions of tariff or quota adjustments affecting that industry, and even for outright withdrawal from the organization. Congress has not yet approved GATT.

TRENDS--

IN BUSINESS
AND FINANCE

Lifting That Boom

A THREE-WAY move by the casualty insurance industry has lifted the boom that had been lowered upon the business by the Korean war-boom-inspired inflation in 1950. Today "the insurance buyer is able to purchase the coverage he desires and at a price that is fair to both insurer and insured," says Wilson C. Jainsen, president of the Hartford Accident and Indemnity Company.

There had been abundant reason for imperative and drastic action. In 1950, underwriting suddenly found itself bumping into a stone wall and profits catapulted downward, to \$160 millions loss in 1951. The end of the following year showed signs of a leveling off, and 1953 returned to normal, so that now there is a "ready market" for the corporate buyer.

Among the measures which cleared the air were injection of a rate adjustment factor into workmen's compensation insurance, trend and projection factors into rates for automobile and liability insurance, and a stepped-up endeavor to handle large interstate risks under a uniform rating program at reasonable and simplified cost.

At the same time Mr. Jainsen observes that "business management will never find it possible to dispense with the service of its insurance managers or with insurance counselors through the purchase of a single prefabricated policy that will solve all coverage problems."

New concepts and the swift tide of inventiveness have not only precipitated changed social thinking but inflated costs, and products liability exposure has fresh and significant problems, Mr. Jainsen explains. Thus:

"A small nut or bolt, defectively machined, may turn up as the proximate cause of an airplane crash resulting in death or terrible injury to 80 or more people. A small button on a woman's dress, set in a combustible fabric, upon contact with a hot iron may become a very lethal combination. A change in the source of raw materials—the substitution of an ingredient—can have far-reaching repercussions through the creation of tremendous dollars-and-cents liability."

Fourth "Worst Ever" in Row

Auto drivers under 25 years of age were involved in almost 25 per cent of fatal accidents in 1953 though they constituted only 15 per cent of all drivers. This parallels the record showing excessive speed was the most dangerous driving error, killing 13,870 and injuring 600,000 of the total 38,500 fatalities and 2,140,000 hurt.

In the fourth consecutive year of increased death toll, three out of four accidents were to passenger cars driving in clear weather on dry roads, says "The Passing Scene," booklet of The Travelers Insurance Companies.

Pedestrian casualties, on the other hand, continued falling off for the third year in a row.

No Automatic Solution

PRICE SUPPORTS, whether flexible or rigid, do not provide the solution to farm surpluses, though the compromise farm program effective next spring is a step forward, in the opinion of Dr. O. B. Jesness, head of the agricultural department of the University of Wisconsin.

Several million acres—entire farm units—should be taken out of wheat production, a problem engendered by war needs, with payments to owners, land rental or even purchase, but not marketing quota restrictions, the agriculturist told the school of banking. Rigid prices tend to make the butter situation worse, he said, advocating the breaking down of artificial barriers in certain high cost milk markets.

Definite adjustment of output to available and prospective markets is urged, instead of temporary expedients.

Move Over, Business!

MAKE WAY for another billion dollar business, the toy business. At least that's what members of the Toy Manufacturers of the U.S.A., Inc., are saying this Christmas will show. Some manufacturers reported sales 12 per cent ahead of the record 1953, and retailers were telling of up to 10 per cent better business than a summer ago. Year-round advertising was one clue to the increase; another rested in the birth of 4 million toy prospects last year.

More Tax Changes

INTRODUCING analyses of the new Internal Revenue Code by 12 certified public accountants in a special issue of the Journal of Accountancy, J. S. Seidman, tax committee chairman of the American Institute of Accountants, predicts Congressional action next year on proposed changes in the section on corporate distributions and adjustments, and in other areas:

"On the liquidation of a corporation," Mr. Seidman believes, "gain or loss to the stockholders will be based on the difference between the cost of stock and the cost of the assets to the liquidation company." He forecasts deferred compensation contracts will be recognized "without need for fancy contractual conditions," and that "the whole treatment of foreign countries, foreign tax credit, and tax rates on foreign income will be revised." He also thinks Congress will return to the Senate provision which would have allowed privately held corporations to be taxed as partnerships.

While commending the new federal law for eliminating a number of inequities, J. Henry Landman, New York attorney, says, the measure "will not raise enough revenue, without government-financed projects, an accelerated defense program, or a full-dress war and further commercial interest rate cuts, because it fails to provide the necessary business incentives to increase the national taxable income." Mr. Landman was addressing members of the American Management Association.

Sales and Earnings Tabs

REQUIREMENT that all industrial corporations publish quarterly sales figures and more complete data on quarterly earnings is asked of the Securities and Exchange Commission by the National Federation of Financial Analysts Societies. Declaring the information is needed for protection of investors, President M. Dutton Morehouse of the Federation says the analysts want the Securities and Exchange Commission to reinstate Form K-9 and expand it for data on net income before and after taxes, special reserves, write-offs or non-recurring profits.

Ernest A. Roveland



A BATTERY OF 24 Underwood Sundstrand Duplex Adding Tabulators at Chase National Bank, New York, records daily transactions of stock certificates cancelled and issued in each corporation for which the bank acts as registrar. Three separate tabulating stop locations record necessary data, including the

number of the stock certificate, the number of shares and the certificates cancelled. The machine answers the requirement of speed—registration of stock transfers must meet a specific clearing house deadline—and provides accuracy and proof features. Both single register and duplex model machines are used.

Well Equipped Is Well Performed

By HENRY H. HEIMANN

Executive Vice President, National Association of Credit Men

IN a competitive economy, after years of a sellers' market, it is difficult to cut down on overhead items. Administration costs which grow in a defense work era are hard to readjust. They must, however, be readjusted if you are going to be competitive in the more trying business days ahead.

In years past, when people thought of a readjustment of overhead and administration expenses, their first program and plan was to start reducing salaries. This is the most difficult, if not the most injudicious, way to tackle the problem of the excessive non-productive burden.

Let us consider one part of your necessary but non-productive operation: the administration expenses of selling, billing, advertising, accounting, cost accounting and all the other phases of office work. Have you been so busy in defense work that you have not recently made a survey of your office equipment? If you have office machines that are ten years old or older, the chances are they are an extravagance you cannot afford. Are you aware of the productivity and economy of the more modern office equipment? If not, you should make a check-up now. Its labor saving devices and potentialities have, in recent years, tremendously increased and economized office production. Any good office equipment company will give you a survey without charge and show you how to do better work and save money.

In your annual budget you make provision for plant machinery. You know you have to keep plant equipment modern. It is equally essential that you put in your annual budget a provision for new office equipment. To keep up to date with modern office equipment is a constant job; unless you do the job you burden yourself with needless costs. Apart from the money you save, there is another angle to it that is even more important. New equipment just naturally produces better work. It enthuses the office personnel. There is a sense of pride in having a new machine that turns out work swiftly, accurately and neatly.

A few days ago, going down in the elevator of the building in which we are located, I overheard a conversation in point. It impressed me. A girl who had worked for a company in our building had changed jobs. She was now with a company in the financial district. Naturally her former associates clustered around her and asked how she liked her new job. This was her response: "It is just wonderful. You never saw such clean, new, efficient machines to work with. It is a pleasure to work and you turn out much more than you did in the old office. Honestly, I would rather work there for less money. I don't get the 4 o'clock fatigue in my new work."

This is the time of year you should look over your office equipment and modernize it. It will pay you rich dividends to do so.

Users of New Office Equipment Show How They Save by Spending

Invitation to Profits

THE New York "Business Show of Shows," officially the National Business Show, is holding its 50th annual exhibition of the latest developments in office equipment, procedures and controls, as this issue goes to press. The Jubilee theme is "Shower of Gold," to emphasize the building of business profits by office mechanization and improved operations, a theme vivified by the shafts of light beamed above the Park Avenue half of the twin showplaces by a rotating "spot."

With more than 240 exhibits—the fruit of the planning and ingenuity of research and engineering staffs of equipment manufacturers—visitors were expected to exceed the 100,000 average attendance of the last three years.

Specially designed "see-through" center sections promoted traffic flow and heightened visibility of the displays. Housing this year's amplified array of exhibits necessitated use of two National Guard centers, the 69th Regiment and the 71st Infantry Armories.

Notable in this period of tightened competition is the increased tempo of equipment refinement and new idea conception in the short period since Spring, when NOMA (National Office Management Association) with justifiable pride brought forth its Office Machinery and Equipment Exposition in the St. Louis Kiel Auditorium.

Four of the 65 companies which exhibited in the first New York show in 1904, which then was called the Typewriter and Office Furniture Exhibition, had displays at this year's presentation: Addressograph-Multigraph Corporation, A. B. Dick Company, Elliot Addressing Machine Company, and Felt & Tarrant Manufacturing Company.

Because credit management in most companies has also the responsibility of office management, and has either entire supervision or an important voice in the purchase of office equipment and supplies, CREDIT AND FINANCIAL MANAGEMENT gives major attention in this issue to the service of keeping its readers abreast of the new developments in equipment, methods and techniques. In the following pages you will find aids to answer your questions "Which

"Management is the head of business, salesmanship the hands, credit the heart. When credit is curtailed or misused, the heart of business is gone—forever."

—Edwin B. Moran

machine? Which service? Which method?"

The need to reduce office costs is vital today. Short-sighted is the management that because of increased competition decrees it must tighten the purse strings, slash expenses, indiscriminately. Pennywise, pound-foolish.

It is axiomatically true that the relatively slow period after the pell-mell of a sellers' market is the time to check up on equipment condition and up-to-dateness. Unscientific management is a luxury whatever the market, but outmoded or worn tools of operation are particularly expensive when competition is taut.

Automation Emphasized

Reflected at the Business Show is office management's emphasis today on automation, the science of increasing productivity through the use of new types of automatic machines, automatic controls, and improved office equipment. Just as mechanization in the factory has increased output and reduced costs per unit, more automatic operations in the office spell a solution of the high cost of office personnel, the scarcity of certain kinds of trained help, and the inefficiency that is the result of time-consuming, energy-and-profit-wasting manual operations on some jobs.

Do electronic computers, mechanical "brains," the coming application of atomic energy portend "liquidation" of the manual worker? Present cost, as well as the complex nature of their functions, restricts use of these machines at this time to a few businesses, but will they ultimately supplant the office work-

er? Not so, says the U. S. Department of Labor, and history is replete with evidence that new mechanizations plow new fields for manual jobs.

Furthermore, there were eight million men and women engaged in clerical work in April of this year, an increase of 64 per cent over 1940, says the Labor Department. Greater need, not less, for this group of trained workers is predicted.

Whatever the statistics, the objectives of office research and engineering are the elimination of the human-error factor, simplification and combination of various operations into single steps, improvement of controls and productivity, betterment of employee morale and comfort. To meet the tests of the times, Management needs to take periodic inventory of its office operations, not only of automatic equipment but also of physical arrangement and types of furniture—desks, chairs, cabinets—of lighting system, storage facilities, and the many additional factors integral to maximum utilization of space and work-flow.

In this issue CFM turns its pages over to a number of progressive business concerns, lets them tell you from their own experience how they met varying problems of office operation. The case histories range from installation of isolated small units to overall designing by office planning specialists. There is the story of how a specially devised method of duplicating enabled a leading shoe and tanning corporation to mechanize the processing of its more than 50,000 accounts receivable records . . . of an electrically powered file system that is the hub of operations of a commercial travel card company which grossed \$123.5 millions last year . . . of the switch to mechanized accounting and how it improved internal control for a hardware and supply company, simplified procedure, and saved close to \$10,000 the first year . . . of an organization which, on recommendation of an office planning consultant, scrapped its original plan for a new building, utilized its standing structure with adaptations to integrated functioning, thereby centralizing operations and gaining back valuable space for production.

By LILLIAN BERMONT
Associate Editor



RADICAL OFFICE MODERNIZATION PROJECT at Bridgeport Brass Company, Bridgeport, Conn., based on concepts of Shaw-Walker Company office planning specialists, enabled the company to streamline procedures, group related functioning departments and increase work flow, and resulted in work space gain. Illustrated is part of the third floor renovated office where central files, billing, order editing and sales order service units have been located for functional efficiency. A feature of the modernization planning concept is flexibility of work area design to provide for continuous work flow to meet changing conditions.

Interior Designing Saves Bridgeport Brass from Purchasing Additional Building for Office Work

THE profits made in the plant as a result of efficient production methods can be lost through costly office procedures handling that same business.

Streamlining office procedures, creating a pleasant working environment and modernizing existing facilities to get the best advantage at the least expense is a very important step for a company to take in the constant search for cost reduction." These remarks by Herman W. Stein-kraus, president and chairman of the board of Bridgeport Brass Company, and former president of the United States Chamber of Commerce, sum up the significance to management of overall planning for office efficiency.

The story of the office modernization project at the Bridgeport, Conn., company illustrates the progressive thinking of the management. When the company, which had expanded rapidly in the past decade, grew "too big for its britches" and office operations extended into four separate quarters, some of them as far as a mile from headquarters, con-



H. W. STEINKRAUS

sideration turned to the two avenues of remedial action which appeared open: (1) To acquire a new building across the street at a cost of several millions, but which would still leave the home office in two buildings; or (2) To devise some rearrangement of existing space to permit consolidation of scattered departments.

Stop-Gap Measures Costly

Management's attitude, expressed by Warren J. Faust, vice president and controller and chairman of the building committee of the Bridgeport Brass Company: "We realized from the beginning that we could not come up with just 'any' answer to our problem of what to do with a building we had outgrown. Stop-gap measures would be costly in the long run. We had to have as near the perfect solution as it was possible to achieve."

To explore the possibility of utilizing the main structure, a four-story "U" shaped building in excellent condition, the management called in the Shaw-Walker Company's office planning specialists. R. K. Gad, Jr., director of the department, who was responsible for outstanding Shaw-Walker planning jobs at Atlas Powder, RCA, the Texas Company, and other leading concerns, went to work

on the project. Mr. Faust gives us a progress report of the Bridgeport Brass changeover to a new look and greater-than-anticipated benefits.

"After preliminary conferences Mr. Gad was of the opinion that neither of the two steps we had considered should be taken until a study of a possible addition to the existing structure was developed. Studies were made, one incorporating an addition to the building with changes in the existing structure held to a minimum; the other with no addition but with major interior changes in the existing building. The first plan proved far superior and only slightly more costly in terms of initial construction and was adopted. The plan presented by Shaw-Walker included expanding the lower three wing floors across the court of our "U" shaped building. This provided large open areas for more flexible and efficient grouping of departments, functions and expansion space.

"One of the big plus factors of this plan was that we were able to carry on our routine office functions throughout the construction period. While we were operating at or near capacity we were in the process of expanding our production facilities.

"Although the addition to the building amounted to a total gain in
(Concluded on page 29)

New Machines Literally "Put a Punch" Into Solving Complex Billing Problem

By DAVID F. SELLARDS, JR.

Vice President, Treasurer

Ellis-Klatscher & Company
Los Angeles, California

M ECHANICAL billing methods were out of the question for us, we used to think at Ellis-Klatscher & Company. We took for granted that the complex nature of our business—we are wholesale dealers in all types of merchandise sold by independent variety stores—was too much for

any machine to cope with. Punched-card tabulating methods might be ideal for a wholesale drug or food house, where stocks are fairly constant, but surely such a billing system could not work here. We were wrong.

Since 1912, when A. M. Ellis established the wholesale notion house from which the present organization evolved, our business has been constantly growing, not only in volume but in variety of merchandise. Today, we service over 4,000 retailers in the eleven western states, distribute lines comprising 9,000 different basic items, and the item count runs to more than 35,000 when broken down into colors and sizes.

Some of these are staples with steady rates of turnover; others are

seasonal items only; still others are "one-shots" with a relatively short sales life. A normal day's billing will cover 10,000 items, but in the heavy fall season the volume often runs to two or three times that figure.

What's more, there is very little uniformity of quantities involved in each sale: one merchant may order two gross, another only a dozen of the same piece of merchandise. Seasonal goods like toys are sold on a December-dating basis; others are not. Most of our lines are subject to the conventional two per cent cash discount, but some of the highly competitive items are sold at a strictly net price.

All this made grueling work for our billing department, which already had grown too large. Our eight billing clerks put in much overtime, especially in the pre-holiday rush seasons, but even so their invoices to customers nearly always lagged as much as two weeks behind shipment. Something had to be done.

It was a case of necessity being the mother of adaptation. Considerable study taught us that punched-card tabulating methods were far more flexible in concept than we had thought. Our billing problems, unique or not, were within the range of their potential capabilities. A plan was worked out and the necessary Remington Rand equipment was installed early in 1950. By March of that year the punched-card billing system was underway.

Today, even in rush periods, our

bills are prepared actually in time to be enclosed with the shipments of merchandise they cover. Five girls and a supervisor do the work that formerly required eight. We have figured that in terms of dollars and cents, the tabulating system costs us nothing; the payroll saving on personnel more than pays for the rental of machines and supplies. In addition we have the advantages of speed, unquestioned accuracy, and a valuable fund of by-product information that creates sales analyses, commission statements, and other statistical data without any expenditure of human effort.

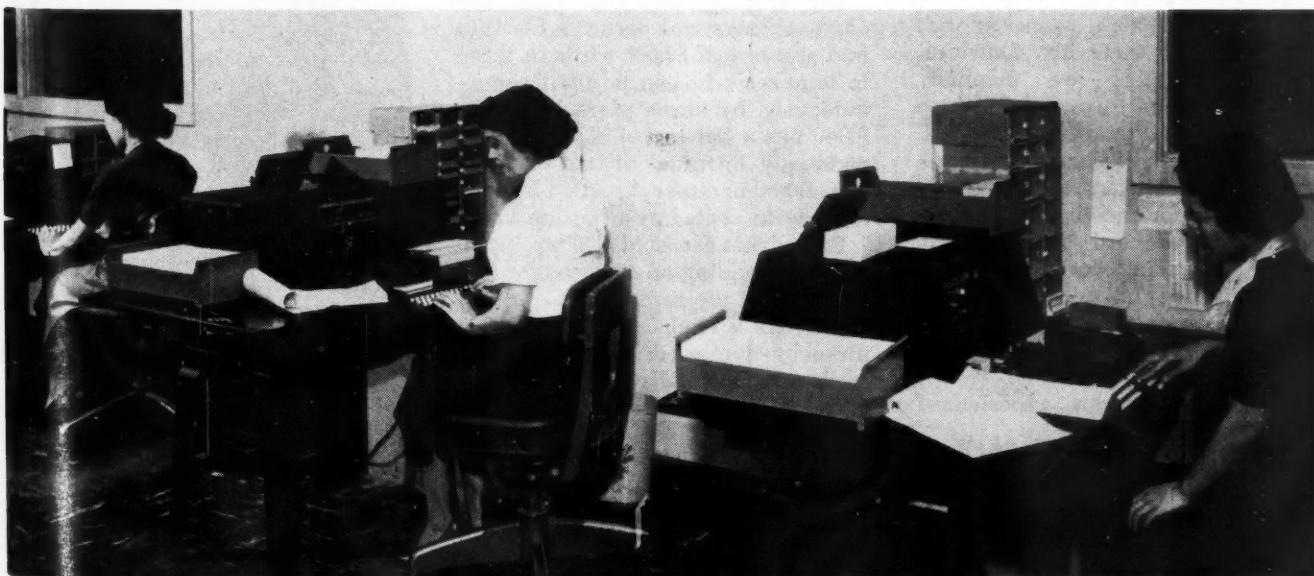
How It's Done, Step by Step

Our procedure, with its various modifications of more conventional methods, can best be described in step-by-step fashion.

Orders, most of which are written by salesmen either in the field or in our showroom, contain the customer's code number, the department number, the code number of the merchandise and the quantity. Our first step on each order is to pull partially pre-punched tabulating cards for all items it concerns.

Because we lack space for conventional tub files, the pre-punched cards are stacked numerically in vertical racks specially built for the purpose. Their pre-punching indicates department number, merchandise code, description and price. Since there is no "standard" quantity

(Concluded on page 24)



Tabulating Punch Machines in action, as Ellis-Klatscher Handles 30,000 Billing Items in Day

Getting Down to Brass Tacks, Hardware Company Achieves That Internal Control

BY a changeover to mechanized operation of accounts receivable, accounts payable, payroll, invoicing and diverse general accounting jobs, the Watts Hardware & Supply Company of San Antonio, Texas, has achieved improved internal control and analysis, simplification of procedure, and extremely gratifying savings in space and money. The system used prior to installation of the Burroughs accounting and invoicing equipment had been satisfactory from several points of view but had proved too elaborate and expensive for the specialized operations.

"Up to July of 1952 we were using the punched card system of invoicing and breaking down our sales by departments and territories and cost-and-sell totals," writes William H. Dawkins,* secretary and credit manager of Watts. "Investigation was made of a number of systems which might provide the requisite internal control information at favorable cost. Installation of the Burroughs combination billing machines for invoicing and the Burroughs Sensimatic accounting equipment followed.

Uses Analyslip Copies of Invoices

"By the use of 'Analyslip' copies of invoices with added cost information we were able to accomplish our purposes," says Mr. Dawkins. "Analyslip copies are manually sorted by departments, of which there are ten, and cost-and-sell figures are compiled on the Sensimatic. The assorted Analyslips are accumulated for one-time daily posting to visible card stock record. Result: Invoicing, cost-and-sell by territory, cost-and-sell by department, and stock record postings are obtained primarily from one operation."

No bottlenecks were experienced

*William H. Dawkins joined Watts Hardware and Supply Company as office manager following World War II service, and became successively secretary, assistant treasurer and credit manager. He is a director of the Southwest Texas Wholesale Credit Men's Association and a member of the National Association of Cost Accountants.



W. H. DAWKINS



SAVINGS in floor space as well as in money, and simplification of procedure resulted when Watts Hardware & Supply Company, San Antonio, Texas, installed Burroughs Sensimatic accounting and billing machines similar to models in photo. Illustration shows the equipment adapted to insurance office operation. On the Sensimatic accounting machine (left) a wide ledger card is being used in place of the conventional ledger and statement. Furthermore, the detail of posting is being read from a summary sheet rather than unit tickets. On the billing machine (right) the wide-columnar insurance sheet used necessitates the rear form guide mounting, which ordinarily would not be used.

in the changeover to Burroughs equipment, and Watts company reports annual cost reduction amounts to \$9,570. While number of personnel has not been affected, the department is operated on less than half of the 500 square feet of floor space previously used.

Three Clerks at Time Can Use The Roto-File, Mosler's Latest

Demonstrated for the first time at New York's Business Show was the electrically-operated "Roto-File" of the Mosler Safe Company. The multiple rotary card file, which the company says will permit a clerk to find any one of 80,000 cards in three to four seconds, can be used simultaneously by three clerks. "Roto-File" has a battery of 8 to 12 independently operated drums that can be worked in either direction by several clerks seated at a posting table.

Each drum can hold 5,000 to 10,000 cards, depending on size, weight and condition of the cards. The 12-drum model has a total capacity of 81,000 three-by-five cards. The rotating cards automatically open into a visual "V." Manual operation also is possible.

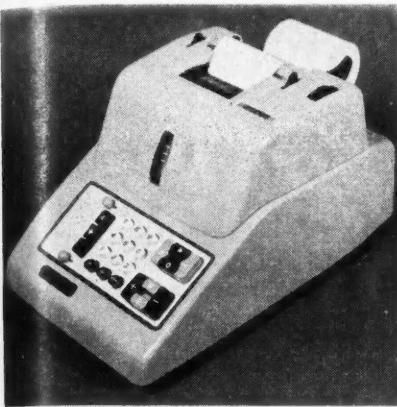
Warehouse Speeds Deliveries

The new warehouse of Diebold, Inc., in Canton, Ohio, located near the main plant and with railroad siding, has been designed to provide

additional storage space for finished goods and maintain prompt deliveries with increased orders, as well as to save factory space.



TO WRAP UP YOUR CLOAKROOM PROBLEMS. The Model 3-U steel Office Valet Coat and Hat Rack, one of the Vogel-Peterson Co. line of stationary and portable wardrobes and locker racks, here is placed at the "point of work" in the office of the Chattanooga News Free Press, demonstrating its flexibility of use. The company also makes wall-mounted units and the Lockerette, an individual compartment for personal effects.



Introduced at the New York Business Show was the "Electrosigma Duplex" 10-key electric adding machine of the Olivetti Corporation of America. Two registers operate independently or together, at 215 r.p.m. in rotary printing. The machine adds, subtracts with automatic credit balance, multiplies and divides semi-automatically, and has a 13-column total capacity. There are double and triple zero keys. One register can be totaled or sub-totaled, and the resulting figure simultaneously transferred to the other register, permitting grand totals to accumulate, eliminating re-entries. The high-speed machine is to be available in early 1955.

Auto and Book Dealers Use Master Tape on Mailing List

An addressing machine that utilizes the master tape method of reproducing mailing list names has been found helpful to both small and large businesses.

When the River Lake Motor Company of Minneapolis purchased a mailing list of automobile registrations for circularizing by direct mail, the equipment manufacturer, the Master Addresser Company, recommended that the car dealer have the list prepared on the reproducing master tapes. The only additional expense to the addresser-user was the cost of the carbon and master tapes, amounting to approximately $\frac{1}{2}$ cent per address. In addition, the auto dealer now has a mailing list ready for speedy reproduction on 35 to 50 mailings.

In another installation, that of a foot-operated Master Addresser at Basic Books, Inc., Chicago, at the time an order is received from a customer five sets of records required in office procedure are imprinted on a reproducing master tape. The master tape is then cut up and the resulting individual address slips are pasted to the back of a file card. Using the same machine with a record-master attachment, the masters are used for collection follow-ups as well as direct mail.

Only SECURED DISTRIBUTION

CAN TAKE THE
RISK
OUT OF CREDIT

HOW: By providing for shipment of goods to a Lawrence System Field Warehouse on your customers' premises.

SO: The merchandise is at the point of sale, yet title and control remain with you, as fully as though the goods were still in your own warehouse.

RESULT: Your sales potential is fully realized—but your credit risk is eliminated.

MORE: For more detailed information just drop us a line at our nearest office—we're in all principal cities—and we'll send you our brochure "Secured Distribution." Or call us collect.

Remember!

SECURED DISTRIBUTION

offers

Maximum protection for the Credit Manager

Maximum sales for the Sales Manager



LAWRENCE WAREHOUSE COMPANY

NATIONWIDE FIELD WAREHOUSING

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OFFICES IN PRINCIPAL CITIES

CREDIT AND FINANCIAL MANAGEMENT, November, 1954

THEY PUT THEIR HEADS TOGETHER

and come up with 50 insurance policies in hour and a half

HOW an insurance company was enabled to increase utilization of its available equipment and effect major savings in time and money, through development of a new system of multiple production of policies and allied forms, is the story of user and manufacturer "putting their heads together" to solve a problem.

Consider this output comparison. Before development of the A. B. Dick Company's "Continuous stencil" method, used in conjunction with tabulating equipment at the Argonaut Insurance Exchange, San Francisco, the maximum output of a good typist was 50 policies in a 7-hour day. Now the equivalent number of policies and stencils is produced in 1 hour and 35 minutes. Two typists formerly engaged in this work have been assigned to other duties and the company expects to reassign a third soon. In addition to savings in supplies, accuracy is assured, and there has been no outlay for additional equipment.

Growth of the company in six years to second largest private workmen's compensation underwriter in California made quicker processing of the increased workload a foremost need, writes Forrest Partridge, director of purchasing for Argonaut.

"Two sets of records are required each time a policy is written," Mr. Partridge explains. "The first set consists of seven copies of the policy itself. The second is a policy record set, consisting of eight to ten forms of different sizes, ranging from 3"x5" cards to an 8½"x11" sheet, which are used by other departments of the company as well as the state rating bureau and the originating agent or broker. Hand-typing of policies, and the run-off of mimeographed stencils for policy records had provided a fairly satisfactory method until workload surpassed productive capacity.

Procedure under Old System

"Under the old system, when an application for a policy was received from an agent or broker, a seven-part carbon snap-out set was typed to provide the copies of the policy.

"Classifications describing the work covered had to be looked up in code manuals supplied by the state rating bureau and the information had to be an exact copy of that listed in the



SHOWING an A. B. Dick contribution to time-saving and efficiency in insurance.

code manuals. Even a misplaced comma had to be corrected on all seven copies. After the snap-out set was typed, practically the same information was then retyped on to a mimeograph stencil and the policy records were duplicated on the mimeograph.

"Because of the time required to look up information in the code manuals, type the policy set, make corrections, and retype the individual stencils, even a good typist could rarely type as many as 50 policies and stencils in a seven-hour day.

"A step toward improvement came with replacement of the snap-out set by a continuous seven-part manifold set to be processed on tabulating equipment. As applications for policies were received, key-punched cards were processed to control the information on the ap-

Special articles from the field, telling the story of office production problems solved by new equipment installations and methods, will be featured in forthcoming CFM issues, plus case histories which could not appear in this number because of space limitations.

Managements are invited to write us of their experiences in saving-by-spending.

—The Editor

plication. Additional cards were pre-punched to control the information listed in the code manuals. These pre-punched cards could be used over and over again, so that typists no longer were required to type exactly the same information on ten or more policies a day."

Differing Shapes Make Problem

But further acceleration in this area was necessary. "We focused on fuller advantage of the tabulating equipment," says Mr. Partridge, "but stumbling blocks were the differing sizes and characteristics of the policy records which prevented feeding them through the tabulators."

A. B. Dick's San Francisco representative worked with the Argonaut people on the problem; the result is the continuous stencil, which has been adapted for easy feeding through the tabulating equipment. All the records are then duplicated from this stencil on the standard A. B. Dick mimeograph. No additional proofreading time is required.

In addition to the measurable savings in labor and time, "the Argonaut management is gratified with this substantiation of its belief that the mimeograph provides the most economic and efficient way to duplicate these records."

Same Dimensions, More Space

Modernization recently completed at the Bank of the Manhattan Company's 40th Street and Broadway office, New York, has substantially increased the floor space for the public although over-all dimensions remain the same. Ornate tellers' cages have been replaced by low walnut counters, natural light is supplied by virtual walls of glass, and main supporting interior columns have been narrowed and restyled for greater visibility and roominess. W. G. Pedersen, assistant treasurer, real estate division, supervised.

Flexible Fluorescents

A method to regulate the brightness of fluorescent lamps in offices and homes has been developed by General Electric. A dimmer controls the light output of up to twenty 40-watt rapid-start fluorescent lamps at one time, thus increasing flexibility.



MACEY COLLATOR Model D in the J. J. Newberry Co. printing department at company headquarters in New York City. Note that five of the eight available stations are being operated. Restoring suction to the three stations not in use quickly returns them to operation for a full eight-page job. The machine is available in 4 to 16 station units. In a sample three-month period Newberry's staff processed 1,100 jobs on the machine, totaling 1,802,247 sheets. C. A. Fleischmann of the Newberry Co. (center) consults with the printing department manager and the machine operator.

Office Operation Is Picking Up Now

COLLATING operations for the multitude of printed forms, price lists, bulletins, catalogs and other printings which go out daily from the headquarter offices of the J. J. Newberry Company merchandising chain in New York City reach an astonishing total by year end. The Newberry chain comprises approximately 500 retail outlets across the nation; they handle a host of items from notions and toys to household specialties and jewelry, and more than half have lunch counter departments. Annual sales volume is over \$150 millions.

Manual collating methods were found to be costly, involved fluctuations in staff size, particularly in peak load periods, and proportionately fluctuating areas of work space required.

Before the installation of an 8-station Model D Macey Collator in the company's central office printing department, notes Charles A. Fleischmann, executive of the Newberry organization, "we were always short-handed and had frequent overtime. With the Macey Collator we do a better job all around, and do it faster and at lower unit cost. The heavy overtime of peak production periods has been eliminated."

The machine, a product of Harris-Seybold Company, handles a variety of jobs. Size of forms assembled at Newberry may range from $4\frac{1}{2} \times 11$

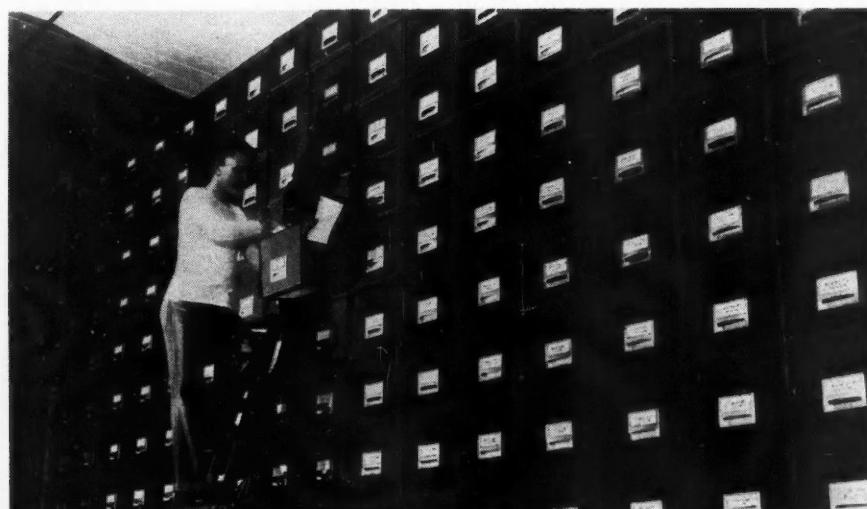
"WALK — Don't Run to Your Nearest Exit" might well be flashed in offices at closing time.

—The Office Economist

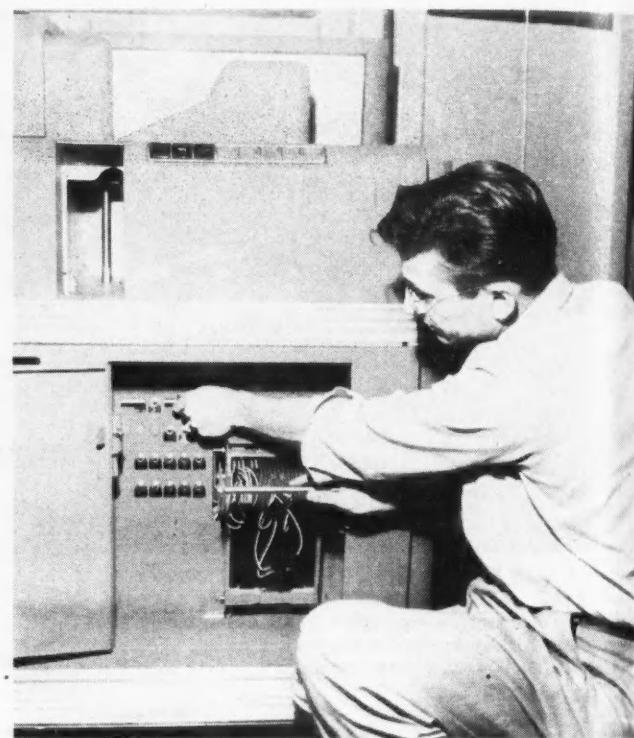
to 9×11 , and in weight from 13 lb. bond to 72 lb. index. A sample mailing may consist of one $8\frac{1}{2} \times 11$ sheet, two 7×11 sheets, and a 12-page booklet, with weights from

16 lb. bond to 60 lb. enamel. A micrometer automatic stop device controls accuracy of assembly.

Saving in personnel is noteworthy. "Before the installation of the machine in 1952," Mr. Fleischmann comments, "we tried to maintain on our payroll at all times ten people classified as collators, although peak volume handling without overtime would require at least 20 girls. Now we have a staff of five, one of whom is the machine operator."



ECONOMY, ACCESSIBILITY AND NEATNESS are features of this recent installation of 4,600 Stax On Steel file units which house the corporate and government records of The Boeing Airplane Co., Wichita, Kan. The transfer files are located in a building constructed exclusively for records. Stacked 12 high, to the ceiling, they are always readily accessible. A product of Bankers Box Company, Chicago, the Stax On Steel units were selected by Boeing after tests by their design and structural engineering department.



IBM INSTALLATION in the offices of the Hotel and Club Employees Union Local 6, A. F. of L., New York, includes this gang-punch (left) which punches out dues' receipts data for the local's 28,000 members. (Right) Office manager Walter Smith adds a human touch to the reproducing card machine which records employment data of members.

AN INTEGRATED SYSTEM

UNION administration, like any other big business today, requires efficiency-minded management if optimum performance is to be achieved. However, problems of streamlining and improvement of office operations are not so easy for a union to solve because most office equipment is oriented to commercial applications, where the problems differ. Since its inception 15 years ago, the Hotel and Club Employees Union Local 6, A. F. of L., like many other businesses, had adopted expedients as the organization expanded. Office machinery, space and personnel "just grew." When the 28,000-member union not long ago surveyed its multitudinous accounting and record-keeping operations with a view to improvement, expediency was ruled out, overall planning put foremost. The situation is described by President David Herman:

"Our 28,000 members pay monthly dues, receive a regular bi-monthly publication as well as periodic mail from the organization. The Union administers an insurance plan, providing hospitalization and medical care for members. It is obvious that record keeping becomes an important part of the efficient administration. A combination of mechanical

and manual bookkeeping methods was employed to take care of the necessary functions but the results were costly, often inaccurate, and slow."

Following more than a year of planning, a complete, integrated International Business Machines



TEXTILE DESIGNS reproduced for mills' use. J. P. Stevens & Company, Inc., New York, finds the Copease Duplex Photocopier (known abroad as Develop Combi) good for reproducing clear, exact copies of weave designs, which enable mills to follow loom set instructions easily. Note the sample pattern for weaving synthetic fiber cloth in the upper left corner of the photo.

system adapted to their needs was installed. These results, notes Mr. Herman, followed the change to an IBM operation: "a) The distribution of banquet gratuities received from hotels on behalf of our members used to take two weeks, now takes 24 hours. b) Preparation of reports to the medical insurance carrier used to take a week, now is a matter of hours. c) Preparation of a roster that is submitted to the parent body twice a year used to take three weeks, engaged ten clerks and required overtime, now is prepared by the IBM accounting machine in 1½ days. d) The amount of space occupied by office functions was reduced 50 per cent after IBM installation, making more space available for other functions of the Union.

"The installation of the IBM equipment was not intended to and did not result in a reduction in personnel. But what it did accomplish was to eliminate the necessity for regular overtime work and improve the service rendered to the membership by the Union to a measurable degree."

Units making up the integrated system at Local 6, are IBM's card punch, Cardatype 856, gang punch, collator, accounting and reproducing punch machines.



NEW change-computing cash register, being demonstrated by J. M. Wilson, vice president in charge of sales, National Cash Register Co., enters amount of cash and registers amount of change due customer. Another key subtracts coupons, other refunds, giving the customer a complete record of the transaction from beginning to end.

Cash Register Now Shows Change You Have Coming

Ever have the uneasy feeling "that clerk" short-changed you? You aren't the only one! The first argument probably took place the day money was "invented." But now, says The National Cash Register Company, the problem has been solved.

They've designed a new kind of cash register that figures the change automatically. The clerk rings up the purchases on the cash register, which itemizes them on the usual machine-printed receipt. But then, instead of just taking a total, he enters the amount you gave him and pushes another button. The register computes and prints the amount of change you have coming. Your receipt shows each item, the total, the amount of money you handed the clerk, and the amount of change to be returned.

Another feature of this new "Class 6000" line of cash registers is subtraction of coupons, bottle refunds, etc. by means of a "Refund" key.

Portable Private Offices

By simple addition or deletion of modules, KORDARooms—portable private office units designed and manufactured by Korda Industries—can be adapted to varying space and use requirements, and have been found effective for the semi-privacy of credit and collection operations. Each "room" evolves from a basic L-shaped unit, with desk, files, partitions, bookcases, pullouts. The rooms accommodate three visitors.

Who buys

how much

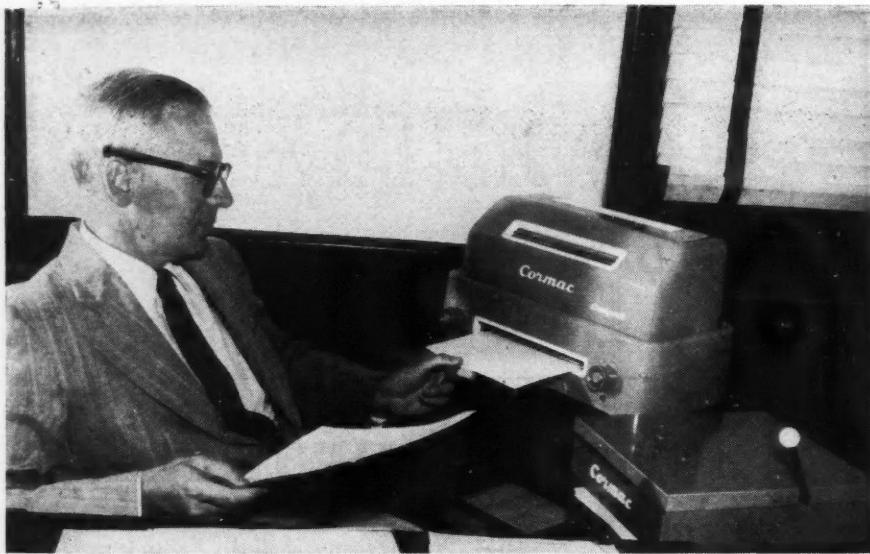
Credit Insurance?

LARGE firms a little? Small firms a lot? Actually, there seems to be little or no correlation between mere size or type of a business and its Credit Insurance needs. Large firms as well as small require the assurance that working capital will at all times be *kept* working, will not be lost or tied up indefinitely in Receivables. For example, we cite the following list of single premiums paid by some of American Credit's larger policyholders!

POLICYHOLDERS' BUSINESS	ANNUAL PREMIUM
Steel.....	\$ 17,815.77
Plywood.....	\$ 20,515.79
Automotive Parts and Accessories.....	\$ 20,936.62
Wool Tops.....	\$ 21,734.49
Heating Appliances.....	\$ 25,082.87
Worsted.....	\$ 26,285.09
Newsprint, Pulp and Insulation Board.....	\$ 28,251.50
Radios, TV Sets, Heaters.....	\$ 32,026.00
Pressed and Blown Glassware.....	\$ 36,669.66
Television and Radio Equipment.....	\$ 40,761.35
Air Conditioning Units.....	\$ 48,606.84
Electrical Appliances, Aircraft Parts.....	\$ 49,668.36
Textile.....	\$ 61,506.04
Air Conditioning Equipment.....	\$102,536.28

Whether your business is large or small we'd like you to know more about American Credit Insurance. May we send you a booklet? Please write Department 47, First National Bank Building, Baltimore 2, Maryland. You can be sure if Accounts Receivable are insured with . . .

**American Credit
Indemnity Company
of New York**



SPEED AND CONVENIENCE are the objectives of this table-top Cormac "Compact" single-unit photocopying machine, which enables an executive to copy confidential 8 x 10 inch documents in his office in 30 seconds' time. The gray-plastic finish of the unit blends with every interior. A similar single-unit model, the Cormac "Senior," will take sheets up to 14 inches wide. On the desk extension at the right is the Cormac dispenser for negative and positive paper. The designer, Frank Samet, is shown inserting original in the exposure slit. Complete automation is the objective, from insertion of the document between negative and positive to delivery of the finished product.

Cormac Photocopier Provides Full Automation and Speed

Called the "glamor girl" of photocopies, the new Cormac "Compact" and "Senior" single-unit desk-top models are portable units that work on the principle of full automation, without "wet" manual handling. They come in gray plastic finish, have non-corrosive parts. A plastic carrying case also is provided.

Because the photocopies are produced in 30 seconds and operation of the Cormac is simple, these table-top units are being made available by numerous organizations to their executives for private office and departmental use. The company points out that the Cormac will copy anything written, printed, typed, drawn, stamped or photographed; from color or black-and-white originals, even from bound books, and so answers the varied demands of the average organization for copies of telegrams, letters, reports, invoices, paste-ups, blueprints, articles, newspaper clippings, and other documents.

The operator places the original between negative and positive, feeds it into the exposure slit after adjusting the exposure dial, automatically receives back the finished negative, removes the original, feeds negative and positive into the development slit, and the automatic roller inside the machine transports the finished product back into the hands of the operator. A Cormac paper dispenser automatically ejects negative sheets.

A political heat wave is on. Temperatures are at new highs, but relief is in sight in a week or two.

—Anonymous

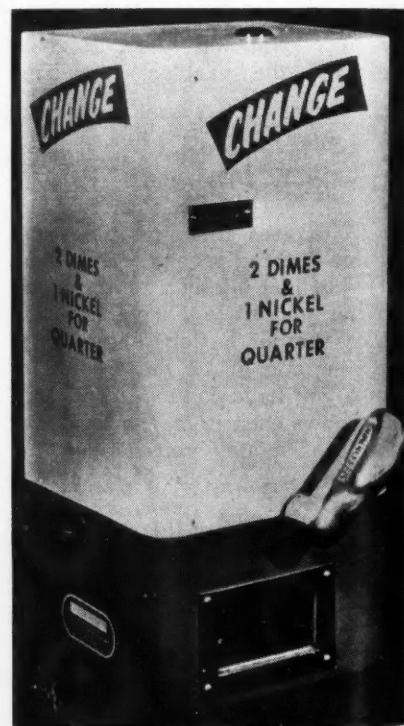
Fur and Plane Firms Use Offset Duplicating Plates

A well-known fur company streamlined its catalog production and an aircraft firm cut its production order lag more than 80 percent with Colitho offset duplicating plates. These are but two of the interesting applications of the product of the Columbia Ribbon & Carbon Manufacturing Co., Inc. At the Hudson's Bay Company, New York, they have found Colitho plates enable them to produce two separate sets of catalogs, containing essentially the same information, for buyers and confidential house editions, from one set of master plates, drastically reducing typing time and proofreading. The Grumman Aircraft Engineering Corporation, of Bethpage, Long Island, N. Y., shifted production parts orders from a manual typing operation to a punched card tabulator system printing directly on continuous Colitho offset duplicating plates, and now handles a work load two-and one-half times greater than wartime peak with a staff increase of only 20 per cent.

Automatic Typing In Public Contact

Where the personalized touch in correspondence is particularly important to good public relations, as in new product and service department letters, credit and collection correspondence, and welcome to new accounts, the Auto-typist has been found practicable. One publisher reports a higher response to promotion letters produced on the Auto-typist than on the manually typed. A pharmaceutical company states it "has three girls operating Auto-typist equipment producing approximately 10,000 letters a month, whereas this volume done manually would require five times as many employees." A bank reports "pulling power of Auto-typist letters 2 to 5 times higher than response to processed letters."

On the Auto-typist machine of the American Automatic Typewriter Company letters are recorded on a roll, and push-button control sets the machine in motion for automatic typing.



ROBOT CHANGE-MAKER. A goodwill builder is this automatic Change-Maker which may be mounted on a stand or wall, or placed upon a counter. From it individuals obtain their desired change for telephones and vending machines, also for rest rooms, parking meters, etc., without wasting the time of cashiers and clerks. The device, manufactured by Continental Coin Devices, Inc., of Cicero, Ill., requires no electrical connections. Safety features include a slug rejector, reinforced lock and heavy duty cabinet.

Executive Finds Dictation by Remote Control Doubles Steno Output, Saves \$15,000 in Year

UP to a little over a year ago the McQuay-Norris Manufacturing Company, with plants in Missouri and Indiana and in Canada, had a situation not uncommon to many business firms, in the area of stenographic functions.

All correspondence, with the exception of one or two individual dictating machines, was handled by stenographic method. The number of dictators of correspondence was estimated at 55, of whom 25 were "heavy" to "average" dictators, the other 30 infrequent dictators. Stenographic personnel required to handle their output numbered 23.

The company departments are in various sections, floors, buildings and areas of the plant, necessitating placement of stenographic personnel in departments or within reach of departments which in many instances required little stenographic work. As a consequence, personnel with stenographic qualifications were hired for jobs requiring as little as 10 per cent stenographic work and

90 per cent typing, filing or clerical work, all of which are in different pay classifications.

Solution to the problem lay in centralization of the stenographic functions, in the belief of R. F. Jacobson, secretary and treasurer. After investigation of various dictating systems he ordered installation of the Edison Televoice Remote Control Dictation System. After a year's experience with the System comes this analysis of results by Fred Jaeger of the industrial engineering department in the main plant at St. Louis.

VOLUME—"Average volume of transcription work produced, per capita, on the remote control dictation system showed a ratio of 5 to 1 over that produced under the stenographic method. Strictly speaking, this is not a true comparison, since, as indicated earlier, the stenographer did not apply 100 per cent of her time to stenographic work. To arrive at a more compatible ratio, we applied the stenographer's actual volume of production to the percentage of time expended on stenographic work, and arrived at a converted volume of production applicable to 100 per cent of time worked. An average volume of production, per capita, for the stenographic group was then computed

and compared with the average volume of production, per capita, produced by the System. The ratio, on this basis, was 2.6 to 1 in favor of the remote control system. It is interesting to note that, in comparing the two ratios, under the stenographic method we had been receiving only 52 per cent of the stenographer's time on stenographic work. (2.6 divided by 5 = 52 per cent.)"

Transcription from Discs Faster

TIME—"Dictation and transcription have become in effect a simultaneous operation because 'taking of dictation' time by the stenographer is eliminated. Transcription from discs (oral transcription) is faster than shorthand (visual interpretation). Statistics show that under the stenographic method the dictator will average 24 words per minute while on the remote control system he will average 80 to 100 w.p.m. The 'lost time' factor of the employee, for rest periods, coffee breaks, sickness, etc., which represents between 20 and 30 per cent of the employee's time, reduces this 'lost time' factor by the number of people reduced. In our case the saving would approximate the 'lost time' of seven employees."

PERSONNEL—"It is estimated that

(Concluded on page 25)



EDISON TELEVOICE Remote Control phone dictation equipment is made available to each of the approximately 55 who dictate at the McQuay-Norris Manufacturing Co. headquarters plant in St. Louis, Mo. (left). The transcription room (right) where a staff of five operators performs the functions formerly requiring the full-time services of 12 stenographers, or 23 stenographers giving part-time to stenographic functions and the remainder of the time to typing and miscellaneous duties, a common arrangement in many companies. The Televoice unit, produced by Thomas A. Edison, Inc. can be combined easily in one with PAX inter-office phone communication system where the latter is in operation, making for economy of space and equipment.

A Problem for the Book and How It Was Solved

A Feature Series on MANAGEMENT AT WORK

By **MISS ELMA HANSON**

Credit Manager

*Blake, Moffitt & Towne
Seattle, Washington*

MANY AND VARIED are the responsibilities of the credit executive today, and not least is the role of goodwill ambassador, benefactor in the eyes of the customer and so cementing cooperation with the sales department. Demonstration of interest in increasing sales establishes a mutual understanding invaluable to a company.

Top management recognizes the credit executive who is alert to company policies and objectives. While we believe that enforcement of sound and reasonable terms rarely interferes with volume sales, yet it is essential that the credit executive acquaint Top Management and Sales with the importance of well-grounded and properly used credit control.

Volume sales vivify business. These sales are made up of good, marginal and possibly some questionable accounts.

Personal Touch with Marginals

The marginal account, in many instances a sizable portion of company sales, may be susceptible at times to adverse developments, such as inadequate financing, poor management, or simply a change in conditions. It is a wise credit executive who keeps in personal touch with this type of account, in order to watch the progress made. This can best be done by visiting him.

Ofttimes we overlook the human side, the customer's desperate need of advice coupled with reluctance to approach the credit manager. A friendly call, a warm handshake, and an inquiry into the account's needs will do much to establish good relationship and at the same time leave the door open for future negotiations should a difficult



CONFERENCE TEAM: (l. to r.) T. H. Gloyer, secretary-treasurer, Blake, Moffitt & Towne, Seattle; Frank A. Carson, vice president and general manager; and Miss Elma Hanson, credit manager.

situation arise. Over a period of years our company has advocated such visits—with overwhelmingly salutary results.

Customer Made to Feel Important

A customer should be made to feel he is important to us, whether he is a volume buyer or a small scale purchaser. As a rule, a marginal account is ever aware of his moderate circumstances, and welcomes constructive suggestions.

One of many cases our company has had the pleasure of helping to business health concerns two young men who several years ago moved west and bought a supposedly well-established business. Enthusiastic over having a business of their own, they bravely set out to increase the plant's volume. Perhaps through lack of experience in a competitive field, and because rehabilitation of the physical structure necessitated spending more money than originally planned, the partners found themselves in a critical financial state.

They were bogged down by an unjustifiably heavy payroll. They had borrowed outside capital to the hilt. The one remaining recourse was to appeal to the larger suppliers.

We were invited to visit the plant, go over their books, and if possible help them work out a solution.

They needed a breathing spell to reorganize operations and revamp their production department. The lax operational methods under the previous owner were handicapping the new ownership. Lack of positive supervision was slowing down output.

Analysis of the situation brought the conclusion that if production were to be stepped up there must be rigid supervision. The two young men took over two of the delivery routes themselves. Their wives, who had business training, assumed the bookwork and the retail outlet, thereby freeing the men from these inside duties. Many unnecessary expenditures were eliminated.

Our company took a note covering

their indebtedness to us, payments to start at the end of three months, with current purchases to be made on a pay-as-you-go basis. The other large creditors agreed to go along with similar extensions.

In the first six months the small creditors were paid off. During this critical period we kept in close touch with the account, receiving detailed reports at regular intervals. In three years, through sheer determination and hard work, the account paid off all the old indebtedness, and now has been on a discount basis for a whole year.

Our company enjoyed appreciable business with the account in the difficult years while the men were reestablishing themselves. This same volume continues today. We consider them among our valued customers.

By weathering the storm the two men gained invaluable experience which will serve them well in the years to come. They know the meaning of team-help from the outside. They are in a position to meet competition and stand their own ground. Their case shows that Courage can well be added to our growing list of C's in Credit. So can Cooperation.

What could be more rewarding than a remark made recently by one of our customers: "Because you assisted me, and had faith in me, my own faith has been restored."

BOOKKEEPING in the newspaper field started Miss Elma Hanson into the business world, and she became combination bookkeeper and credit manager of the Everett (Wash.) News. After 22 years of printer's ink she became associated with Blake, Moffitt & Towne, and in 1946 was promoted to credit manager of the Seattle division, with credit supervision over the four branches in Washington.

Regular visits to the branches include calls upon outlying accounts, which also accounts for a business tour of Alaska two years ago.

First woman director of the Seattle Association of Credit Men in its 54 years, Miss Hanson is immediate past chairman of National's credit women's executive committee, past president of the Seattle Credit Women's Group, and now National's membership committee's liaison representative with the various women's groups. She is a member of the board of trustees of Association Collectors, Inc., and of the Interchange board and membership committee of the Seattle association.



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Naturally there is no obligation.

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United States Fidelity & Guaranty Company, Baltimore 3, Md.
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No Place for Guesswork in Buyer's Market

Controller Proposes Ways to Handle Unusual Cases via Treasurer

RESOURCEFULNESS and ingenuity have come into their own again with the sharpened competition and its calls upon management for unusual extensions of credit in cases where the would-be customer does not qualify under any set formula.

If a company is to get its share of the available business in a buyer's market it is up to the credit executive to be equipped to meet the challenge, says Willard Becker, controller, Powdered Metal Products Division of The Yale & Towne Manufacturing Company, Franklin Park, Ill.

Recommending that the unusual case be handled on an individual basis but "on basically sound business principles that will establish the account as a calculated risk," Mr. Becker proposes the following procedure.

"Whenever a division is called upon to extend a substantial amount of credit on unusual terms, such a case should be reported immediately to the treasurer and a modus operandi established."

"Some industries help their customers financially by assisting in arrangement for loans through the customers' local banking institutions.

No Place for Guesswork

"Occasionally the manufacturer is called upon to guarantee the account. Then arrangements are made with the local office of the manufacturer's firm to conduct a periodic audit of the guaranteed account, with copies of such reports going to the treasurer and the credit manager, as well as to the customer. In some instances, the local accountant acts as trustee and countersigns all checks drawn on the bank account established by such guaranteed loan. Of course the customer pays for this service."

Neither a hit-or-miss nor a personal basis has any place in the granting of such credit, Mr. Becker says. "In some instances customers have over-sold themselves and then have been careless about conserving

their assets, and thus failed to liquidate their obligations. On occasion a strong and burning thirst for firewater, an undying interest in slow horses, or a fatal fascination for fast women has been the cause of the customer's downfall, and it is particularly heartrending to know the erring customer had all this fun with our money. Inadequate control on the part of the creditor usually spells the doom of any special credit arrangement."

In the last 12 years, Mr. Becker points out, a company usually could sell more than it could produce "and it was not necessary to take unusual risks." Now, with the buyer's market, that picture changes. Nevertheless:

"If a credit policy is sound, the collection problem will not be difficult, and a simple follow-up system is usually all that is necessary."

A divisional procedure which has proved successful was outlined by

the delinquents, with copies to the salesmen, and, on important accounts, copies to the sales manager. On or about the first of the following month a second follow-up letter is mailed.

"Not all salesmen or even credit men are in agreement about using salesmen as collectors. In difficult situations we ask our sales representatives to make personal calls as follow-ups to statements and collection letters. In some instances, salesmen make personal calls without specific requests from the credit man. This system works." Customer's orders go to the credit department direct from the mail desk and are okayed for credit immediately, and then sent to the order department for editing.

On the premise that "with adequate information, the credit department can process orders with confidence and without delay or hesitation," the company's credit

"General credit meetings, and publications, give management an insight on current trends, particularly in allied lines which might affect collections in our own industry."

—Willard Becker

Mr. Becker at a controllers' seminar, part of a senior management conference conducted by Yale & Towne.

"Shortly after the first of the month, delinquent lists are issued, including the names and addresses of all past-due customers. Copies of these lists are placed in the hands of the sales, production and shipping departments. These lists are edited just as soon as remittances are received from delinquents. No shipments are made to any past-due account unless the remittance has been received or a release has been granted by the credit department.

Salesman Immediately Contacted

"When an account becomes delinquent, a statement is made in triplicate, the original going to the customer, one copy to the salesman covering the territory, and the third copy for the credit department. These statements are mailed right after the first of the month. If by the 20th the customer has not paid, personal collection letters are sent to

staff accumulates, files, maintains and annually revises the reports of Credit Interchange and Industry Groups, Dun & Bradstreet and those by salesmen. On small orders and accommodation sales, a checker makes decisions from a pre-determined credit rating range.

"Industry unit meetings, such as the Hardware Credit Group, which has national coverage through New York, Cleveland and Chicago, are of particular value to our Division. The written reports developed by these Groups are combined with national interchange coverage furnishing valuable ledger experience and acting as a check.

"General credit meetings and publications give credit management an insight into current trends, particularly in allied lines which may affect collections in our own industry. For example, over-production in household appliances, and wet spring weather affecting paint sales, will naturally retard hardware collec-



WILLARD BECKER

WILLARD BECKER, controller, Powdered Metal Products Division of the Yale & Towne Mfg. Company, Franklin Park, Ill., has general charge of all accounting and personal supervision of costs, budgets, credit and collections of the Division.

Educated with honors in the Y.M.C.A. College of Commerce, Illinois and Northwestern universities, Mr. Becker was with the Illinois Steel Company, Swigart Land Company and University of Applied Science, Chicago, before starting as bookkeeper at the Norton Door Closer Company. He had advanced to advertising manager and acting sales manager when he was called to become controller of the Berrien Springs Division in 1950. He has contributed to a number of publications, was a director of the Chicago Association of Credit Men 1939-41.

tions in areas where our distributors handle paint and household appliances as well as builders' hardware.

"We find salesmen's written credit reports particularly valuable where the account is a new business venture, and for verification of Interchange and D. & B. reports. We also get the names of customers' banks from the salesmen.

"We have found that salesmen over-emphasize the fact that competitors may be selling a particular project. Just because a competitor is selling an account does not necessarily mean that we will sell the same account blindly, without further investigation. Our competitor may have a guarantee or some other such protection."

\$1,000 Underwood Scholarship

Top prize in Underwood Corporation's portable typewriter promotion is a \$1,000 scholarship to any college or university anywhere in the world, to be awarded to the contestant best expressing why he or she likes his new Underwood portable typewriter purchased between September 1 and December 31.

For Monday Morning Blues

Specially selected industrial background music programmed by RCA Victor and transcribed on magnetic tape reels for eight hours of automatic play, either continuously or intermittently, is available through Magnecord, Inc., of Chicago on a lease basis. The service offers over 4,000 selections in all musical categories.



MULTIPLE-COPY order-invoice sets produced at a speed of at least 30 sets an hour on this DITTO D45 Direct Process Duplicator at the Potter & Brumfield Manufacturing Co., Inc., Princeton, Ind., eliminate repetitive typing and checking of data.

Engine Parts Firm Combines Five Steps In Back Order Rewriting and Control

Five writing steps combined in one—that would be welcome news to any organization confronted with a daily volume of detail, like this distributor of camshaft bearings and cylinder sleeves for engines, with 17 warehousing divisions throughout the country and a large staff of sales representatives and distributors handling a line of 200 different cam bearings in varying wall thicknesses. At Dura-Bond Engine Parts Company of Palo Alto, Calif., along with the business doubling in the past two years, the area of back-order rewriting and control, simple enough in itself, assumed magnified proportions because of the labor involved. Consultation with a Ditto methods engineer led to the adoption of the following system which reduced five writings to one and in addition assures accuracy. F. R. Burke, Jr., treasurer of Dura-Bond, describes the before-and-after procedure:

"Formerly we typed 1) the order, 2) a bill of lading set, 3) the necessary number of labels, and 4) the invoice, and manually posted items to accounts receivable ledgers. Now, from the single typing of a Ditto Master, we duplicate acknowledgement, bill of lading copies, packing lists and shipping papers, labels, invoice, accounts receivable card and Analyslip units.

"Our whole business," adds Mr. Burke, "is based on service to our district warehouses and to our direct shipment customers. The elimination

of copying errors with the Ditto system is a definite contribution to better service. Accuracy is extremely important in the case of export shipments particularly."

Dura-Bond calculates the overall cost per order for the order-invoice sets at \$.427 per day, which includes labor and depreciation on the Model D-15 Ditto Direct Process Duplicator. They estimate a saving of \$600 a year in clerical labor alone with the precision-spaced Analyslip units which are used in merchandise sales analysis, upon which they base their production planning schedule at the factory.

David Robertson Dies; Utilities Credit Leader

The death of David Robertson, superintendent of collections of The Detroit Edison Company, followed service of the company since 1913, interrupted by World War I military service. He had succeeded Harry J. Offer, former vice president of the National Association of Credit men, as credit executive in 1952.

Mr. Robertson was a member of National's fraud prevention committee and chairman of the committee of the Detroit Association of Credit Men. A director of the Detroit Association 1949-50 and chairman of its Public Utilities Group, he was on the National planning committee of the Group.

SELLARDS

(Concluded from page 11)

of any item, the quantity is individually punched after the card is picked. Thus we avoid the potential confusion of picking many cards for each order. For each item we need only one card, and the cards are automatically checked when the quantities are punched in.

The second step is to run each group of cards through the Sorter for numerical sequence within each department, and then (together with the master cards that print the customer's name and address) through the Tabulator, which produces a printed packing list for use in the warehouse.

While the stock is being prepared for shipment, the third step is taken: the cards are passed through the Multiplying Punch to get the proper total extension on each item. Each group of cards then is laid aside awaiting the return of the packing list from the warehouse.

The packing list is noted for changes in quantities and cuts. These are checked against the original cards, necessary corrections are made, and then—step four—the complete, correct invoice is run on the Tabulator. Our continuous forms

To Contact Equipment Manufacturers . . .

For the address of the nearest office of any of the equipment manufacturers whose products are mentioned in these pages, or to obtain their descriptive literature, send your request to Credit and Financial Management, 229 Fourth Avenue, New York 3, N.Y. We'll be glad to take care of this for you promptly.

have four parts: the original is enclosed with the shipment, one copy goes to the accounts receivable section for posting, and one to the salesman for his own records. The fourth is for those customers who request invoices in duplicate. (We found it less expensive to produce this extra copy of every bill, even though we throw many of them away, than to have the extra trouble of duplicating invoices for even a small part of our volume.)

Special Situations Covered

The cards for merchandise which is back-ordered are punched with a code letter "R." The Tabulator is set up so that these items print on the invoice without price, as a notification to the customer that the balance of his order will follow shortly. The back-order cards drop out into another stack when sorted, and immediately are set up as back-order without any repunching or re-picking.

Merchandise which is net, not subject to the cash discount, is so indicated on the invoice, and two totals are brought down: the complete total and the amount subject to the two per cent discount. Similarly, it is easy to run a separate invoice for any dated billing.

A big advantage is that orders do not have to be priced, nor must prices be checked, since the punched cards are always accurate. In rare instances where a special price is made, this is circled on the order as a signal to the billing clerks and must be initialed and approved by the proper buyer. A new card must be hand-punched to show the corrected price.

We can keep an average number of cards in each pocket of the vertical racks without worrying about sequence numbers or masters. As the stock of any card gets low, a clerk pulls one for use as a master card to reproduce the desired quantity of duplicates on the Multi-Control

Reproducer, inserting a colored card in the rack to signal that more cards are being made.

Because the merchandise cards are not pre-punched for quantity, our system does not provide inventory control. Eventually we may work out a way to do this, and possibly also include cost data on the cards for further accounting advantages. In the meantime, we are satisfied with the way the billing problem has been solved, and are willing to let these other benefits come in the future.

The system does give us material for sales analysis and commission computation, however. The Automatic Summary Punch attached to the Tabulator produces a summary card for each invoice, showing number, amount, customer and salesman.

In all, our present installation of tabulating equipment consists of three Punches, two Multiplying Punches, one Multi-Control Reproducing Punch, one Interpreter, two Sorters and two Tabulators, one of which is equipped with the Summary Punch. These machines—and the planning which was required to adapt them to our purposes—have enabled us to accomplish a mechanism job that seemed impossible.

David F. Sellards, Jr., vice president-treasurer of Ellis-Klatscher & Company, Los Angeles, was born in Houston, Texas, spent his early childhood in Iowa and New Mexico, and attended New Mexico Military Institute, Redlands University and the University of California at Los Angeles.

After World War I service in cavalry and artillery units, he started with the Braun Corporation and was successively associated with General Motors Acceptance Corporation and the Weber Showcase and Los Angeles Stamp and Stationery companies before joining Ellis-Klatscher & Co. in 1939.

Came an interlude of military service, including overseas duty on General Douglas MacArthur's staff, and elevation to full colonelcy.

In Ellis-Klatscher & Co., from credit manager he went on to controller, assistant secretary and treasurer in 1947, thence to treasurer two years later, to secretary-treasurer, and now vice president and treasurer.

Past president of the Credit Managers Association of Southern California, Mr. Sellards is a member of National's legislative committee, past president of the 6210th Replacement Training Center, chapter of the Reserve Officers Association, and is officer in charge of Detachment 1, 6121 USAR Control Group.

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REMOTE CONTROL

(Concluded from page 19)

the transcription functions, when in full operation, will be handled by five operators, where formerly the services of 23 stenographers were utilized. Applying the 52 per cent ratio mentioned, the function had required the full services of 12. A reduction of seven therefore is achieved. Displacement of personnel will not be immediate and will be handled by normal turnover methods in this classification."

SPACE—"The entire system converges to a central point called the Televoice Pool, which in full operation will require desks for five operators and an extra table for the recorders, readily accessible to the mail desk and allowing for prompt distribution of the completed letters for signature return. In all, the system requires space for six desks where formerly overall space for 23 stenographers was needed. Applying the 52 per cent formula, the space requirements under the stenographic method would be for 12, a 50 per cent reduction."

COSTS—A net saving of close to \$15,000 in expense in the first year of operation has been realized.

As a result of the experience with the Edison Televoice System the McQuay-Norris company envisions centralization of other functions, such as typing and filing. "We feel that remote control can be used for many kinds of industrial application, and when a changeover is indicated we shall be ready for it."

R. F. JACOBSON, C.P.A., secretary and treasurer of McQuay-Norris Manufacturing Co., first went with the company in 1945 as assistant to the president. He was named secretary and treasurer in 1947. Prior to 1945 he had been chief auditor and administrative assistant at the Government's vast St. Louis ordnance plant. A native of Wisconsin, he attended the University of Wisconsin and La Salle Extension University.

Color Photos Aid Assembly Line

To keep television production lines moving despite absenteeism, the Crosley and Bendix Home Appliances divisions of Avco Manufacturing Corporation, Cincinnati, utilize color transparencies suspended in illuminated boxes above individual work stations as guides to soldering operations. Under this system a girl experienced in soldering can perform any of the soldering operations required. The company has used as many as 60 of these guides on three assembly lines.

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UP THE EXECUTIVE LADDER

JOHN C. SIEGMANN, who began his business career 28 years ago with the Landers Corporation, Toledo, Ohio, as baler in the factory, and since 1952 has been vice president in charge of purchasing, labor relations and scheduling, now has been appointed secretary and treasurer of the corporation. He succeeds Percy E. Roper, retired.

From baler to office boy, he advanced progressively to head of accounts receivable bookkeeping and inventory control, assistant treasurer, general purchasing agent, was made a director in 1949 and vice president in 1952. He was responsible for installation of the first formal cost accounting system for the company. In his new post he will continue to direct purchasing, labor relations and scheduling.

ORRIN E. BARNUM has been advanced from Pittsburgh regional manager of the treasury department, United States Steel Corporation, to treasurer of the U. S. Steel Supply Division of the corporation, with headquarters in Chicago. He began as a credit representative for Carnegie-Illinois in 1945, was made assistant credit manager in 1946 and credit manager four years later. In January 1951 he was named credit manager of U. S. Steel Company and in January 1953 was appointed to the Pittsburgh treasury post. Active in credit and banking, he is a director of The Credit Association of Western Pennsylvania, member of the Industrial Credit Club of Pittsburgh, associate director of the N.A.C.M. Graduate School of Credit and Financial Management, Dartmouth, and chairman of the Graduate School's committee on administration.

Named treasurer of Brown-Forman Distillers Corporation, MARION M. JOHNSON began with the Louisville, Ky., organization in 1937 as an accounting clerk. In 1950 he was appointed credit manager and in 1951 assistant treasurer. He is secretary of the company's finance committee and a director of Brown-Forman Industries, a subsidiary. A recipient of the Executive Award (1952) of the N.A.C.M. Graduate School of Credit and Financial Management, Dartmouth, and of the American Petroleum Credit Association annual award, Mr. Johnson is a member of the Dartmouth Grad-

uate School committee on administration and served as faculty member (1954). He is instructor of "Advanced Credits" at the University of Louisville, where he holds the degrees of bachelor of laws and master of business administration.

Mr. Johnson is past president of the Louisville Controllers Institute of America, treasurer of Associated Industries of Kentucky, member of the board of trustees of the Credit Research Foundation, N.A.C.M., and vice president of the Louisville Credit Men's Association.

KENNETH J. FORSHEE has been promoted to general credit manager, National Lead Company, Pacific Coast branch, San Francisco, from credit manager, southern division at Los Angeles. He has been in credit work since 1934 and went with National Lead Company following service in the Air Force as finance administrator 1942-45. Prior associations were with Columbia Varnish Company, Los Angeles, which he



J. C. SIEGMANN



M. M. JOHNSON



O. E. BARNUM



G. R. OSTRANDER



L. K. KIRK



K. J. FORSHEE

joined on graduation from Southern Methodist University, Dallas, in 1934 and Whiting-Mead, which he went with in 1937 as credit manager. He has been an instructor in credit at the University of Southern California extension division the last four years. He is a past president of the Building Material Dealers Credit Association and the National Institute of Credit, Los Angeles chapter. He attended Southwestern Law School at Los Angeles.

A. GORDON NELSON, assistant vice president, State Bank of Albany (N.Y.), has been named branch supervisor. Excepting a three-year interruption for military service in the Pacific theater, he has been with the bank continuously since 1938. Placed in charge of the credit department in 1948, he was elected assistant cashier in 1949, assistant vice president in 1952. He is a past president of the Eastern New York Association of Credit Executives, a member of the Robert Morris Associates, past secretary-treasurer of Group V, New York State Bankers Association, and an instructor in the American Institute of Banking's Albany Chapter.

GLENN R. OSTRANDER has added the responsibilities of assistant treasurer to his duties as general credit manager for Marquette Cement Manufacturing Co., Chicago, and its subsidiaries. He started with the company in 1934 as assistant to the credit manager, advanced to credit manager in 1942, to general credit manager in 1952. Prior association was in the credit department of Kalman Steel Co., a Bethlehem Steel subsidiary. He is a director of the Chicago Association of Credit Men.

LESTER K. KIRK has been appointed executive vice president and treasurer of the Standard Accident Insurance Company. He also was named member of a new administrative committee. He has been with the company 24 years.

The Home Life Insurance Company, New York, has named J. WILSON NEWMAN a director. Mr. Newman is president of Dun & Bradstreet, Inc., which he joined in 1931 as a credit reporter. He is a member of the New York bar.

Forging Plant Controls Inventory, Time And Accuracy by Multi-Duplication Plan

APPPLICATION of mechanized methods to preparation of planning and production records has enabled one of the nation's large forging plants to tighten control of inventory and forging operations, save valuable time through one-writing of multiple copies, and eliminate errors due to incorrect transcription of repetitive information. At the Cleveland Forge plant of the Aluminum Company of America they are able to employ two interesting applications of the XeroX-Multigraph equipment to these operational areas because source information, whether typed, handwritten or drawn, which must appear over and over again on copies of the same form or on different forms, can be transferred to a Multilith Master, duplicated any number of times, and revisions and additions easily made.

In the planning department, at the time a forging order is received, it is entered and identified by part or die numbers. A source document for each part ordered is withdrawn from the file. The source document then is used as a master copy for preparation of a Multilith Master by xerography. Additional customer information, as well as variable information from the original sales order, is added to the master by typewriter or by reproducing pencil.

From the master, 12 planning



SOURCE DOCUMENT shown being fed to XeroX Camera will be transferred to a Multilith Master in less than two minutes. The master then is placed on the Addressograph-Multigraph Corporation's Multilith Process Duplicator for production of the required number of copies. At the Cleveland Forge Plant of Alcoa the equipment turns out all the necessary work copies used in production and planning procedures.

copies are duplicated on card stock on the Model 1250 Multilith Process Duplicator. These are master control card, planning, order entry, tool availability, firm shipping, metal availability, metal control, tool requisition and four departmental notification cards. These planning copies set production facilities in gear, keep everyone concerned informed as to availability, time of production, completion and shipping dates.

In the production department, when planning information entered on the card is complete, a second Multilith Duplicating Master copies it by xerography. This master is used to duplicate the required production order copies on the Model 1250 Multilith duplicator. Preprinted control and operation cards are gathered and collated according to the requirements of the job. Production order copies are then duplicated. If there are ten pallets to the order (the Alcoa plant uses a system of palletizing standard lot sizes on the production line, each pallet or container carrying from one to 1,200 individual parts depending upon bulk and weight), then ten lot books are duplicated from the xerographically-prepared Multilith Master. Lot books are consecutively numbered.

Each Copy Automatically Numbered

Each production copy is automatically numbered with a control number, and perforated as duplicated, to identify each pallet through the fabricating process. All cards of an individual lot book bear the same blue serial number. This control number is used for filing, reference and for facilitating posting of cost and production data.

One lot book will accompany each pallet or lot of pieces being manufactured. A representative production lot book would include card records for material control, requisitioning, scheduling, job operations, move and progress reports, inspection, shipping, cost accounting. The average lot book contains approximately 22 control and production cards. Lot books containing all production forms are made up several weeks in advance of scheduled dates and are held in a suspense file until released for production.

Addressograph-Multigraph Corporation is the manufacturer of the XeroX-Multigraph equipment.

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Here's how to save time and money in your letterwriting...get better results from your credit and collection letters. Send today for a Free-Examination copy of the greatest group of credit and collection letters ever put between the covers of a single volume—

Complete Credit and Collection Letter Book

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Each and every one of the 500 letters in this new book has been thoroughly tested and proved successful. Each one is ready for you to use "as is" or with only slight variations to fit your particular needs. You'll find individual letters, as well as complete series...dozens of openings and "hooks" to vary your approach...techniques and ideas ready to go to work for you AT ONCE.

Here's just a hint of the gold-mine of ideas you'll get—

A simple collection "hook" that brings in an 89% response—A collection series that gets speedy results from bad risks—A successful 3-stage letter that applies increasing pressure—14 "first letters" that bring in payments—A forceful "one-shot" letter used to collect accounts charged off as uncollectible—5 letters that pull for a company in a highly competitive field—Successful ways to collect from non-profit organizations—Dozens of fresh variations on the tiresome "please remit" theme—Tactical letters drawing customers' attention to unsatisfactory trends in their business—Letters asking for more information while refusing more credit—Ways to get proper information for evaluating risk—3 ways to calm down customers dunned for bills already paid—Letters that turn customers' complaints into good will—Letters to chronic "discount chiselers"—Handling a debtor "Friend of the Front Office"—5 letters to customers whose checks have "bounced".

Remember, all these successful letters are ready for you to use at once...and any one could easily be worth hundreds of dollars to you, not only in increased collections, but in time and effort. Veteran credit men are enthusiastically in their praise of the COMPLETE CREDIT AND COLLECTION LETTER BOOK. George J. Schatz, Vice-President of Commercial Factors Corporation, says: "This book not only supplies 'know-how', but also makes available dozens of new credit and collection ideas." And W. R. Dunn, General Credit Manager of General Foods Corporation, says: "This book is full of the how-to-do-it of making your credit letters human, tactful and effective."

10-DAY FREE TRIAL—Why not see for yourself how tremendously helpful these great letters can be in your work? Mail the coupon below for a Free-Examination copy of the book today!

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Please send me a Free-Examination copy of the COMPLETE CREDIT AND COLLECTION LETTER BOOK. Within 10 days I will either remit \$4.95 plus postage, or return the book and owe nothing.

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Address

City

Zone... State

SAVE! Send \$4.95 with this coupon and we will pay postage. Same return privilege; refund guaranteed.

Legal Rulings and Opinions

Storekeeper's Liability

A grocery store customer, injured when he fell over a child's express wagon on the sidewalk, was awarded \$1,200 by the jury, and the appellate court affirmed the judgment. The grocer knew that boys gathered outside the store with their wagons to solicit hauling jobs for shoppers' packages but he had not barred or controlled the situation, testimony showed. (Horner v. Penn Fruit Co. (Pennsylvania 1951) 82 A. 2d 313).

Drawer of Check Liable

Affirmation of the uniform negotiable instruments law, sections 30 and 34, was provided in a decision by the supreme court of Rhode Island in holding that the drawer or maker of a check was liable to its holder in due course in spite of collateral representations and conditions between the maker and payee-indorser.

In the case of Cleveland vs. Oakwood Sales & Service, (98 A.2d 845-1953) a \$1,200 check given to a car dealer in payment for a car was returned on account of insufficient funds. The check of a third party then was given the dealer by the purchaser, who indorsed the check over to the seller. Payment on the second check was stopped.

The car dealer sued the maker of the second check. The defense was that its payee (the car purchaser) had defaulted on a promise to turn over the cash to its drawer, therefore the maker was justified in stopping payment, and since there was no consideration for the check between the car purchaser and the defendant, such a defense was valid. The court ruled that all the conditions necessary to constitute the plaintiff as a holder in due course of value and without notice under the law had been shown and were not disputed, and declared the plaintiff entitled to the direction of a verdict.

When Does Loss Take Place?

When does a loss actually occur? Answer by the appellate division of the New York supreme court, first department, on an appeal in which the insured claimed that, under the terms of an inland marine policy, it will suffer no "loss" until required to pay judgment and cost of litigation, and that its time to sue therefore has not yet begun to run. Against this, the insurer contended

that the date of the "happening of the loss" was the date of the theft of the merchandise, and that the time in which to bring suit on the policy had therefore elapsed.

The appellate division ruled that the 12-months period of limitation for the commencement of suit against the insurer on a so-called merchandise floater policy does not begin to run upon "the happening of the loss" but only when the insured's liability to the owners of the lost or damaged property is established and the insured is thus in a position to institute action against the insurer.

In the case of Sassi v. Jersey Trucking Service, Inc., American Insurance Co. of Newark, N.J. (App. Div., N.Y. 45 Jan. 21, 1954) the trucking company was insured against loss or damage to merchandise owned by others while in its

custody, under a so-called merchandise floater policy. Merchandise belonging to others was stolen from the insured, who promptly notified the insurance company. More than three years after the theft, an action was commenced against the insured. The suit papers immediately were turned over to the insurer, but it returned them disclaiming liability. The defendant insured then served a third-party summons and complaint on the insurer asserting that, if held liable to plaintiff, the insured may recover under the policy.

The special term of the supreme court dismissed the third-party complaint holding that the time within which suit could be instituted on the policy had run by reason of the provision in the policy which read: "No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity . . . unless commenced within twelve months next after the happening of the loss . . ." The appellate division reversed the order of dismissal and reinstated the third-party complaint.

Photo Reproduction Solves Control Needs At G. E. Electronics Plant in Utica, N. Y.

A PRODUCTION control procedure developed by General Electric's procedures group at the company's electronics commercial and government equipment plant at Utica, N.Y., involved many changes in thinking and methods to achieve what now is rated "the most efficient, accurate and speedy control technique yet evolved to meet their needs." R. H. Huebenthal headed the group.

The method, installed concurrently with the move to the big new plant about a year ago, was developed after the careful research one would expect of the GE organization. Primary motivation in the procedure group's search for the problem's solution was the elimination of human error.

Photographic reproduction supplied the key answer, because "transcriptions produced either mechanically, electrically or chemically, as in photographic reproduction techniques, are not subject to the human error factor and therefore are desirable wherever practical at GE." Following study of various methods of duplication, an Eastman Kodak Verifax Printer was acquired.

Installation of the Kodak Verifax eliminated what had been "one of the biggest stumbling blocks in the

entire procedure, the duplication of the master file process card which itemizes the various steps to be followed in the production of each individual part. These cards, created when the drawing of the part is first made, must be reproduced and delivered to the production floor to guide the lathe operators and others in the manufacture of all fabricated parts."

Mechanized production control at GE begins with two basic cards or lists: a parts list for any given assembly or unit, and a process card which itemizes the operations which must be performed to fabricate any given part, if the company does not purchase the part from an outside vendor or customarily carry it in stock. Wartime limitations on equipment had made it necessary to employ 14 stock record clerks to copy manually the necessary cards and papers, and the incidence of error was proportionately great.

An improvement in the procedure was the introduction of 12 typists to handle the transcription details, but the possibility of human error was still there. Now five girls turn out more work, and error-free, than formerly was produced by 12 employees.

Saved by Interior Planning: Cost of Additional Building (Concluded from page 10)

floor space area of only 20 per cent, potential occupancy of the opened-up office was increased by approximately one-third. Important as it was, this space gain alone was a minor item compared to other benefits."

The creation of additional floor areas permitted the company to streamline procedures. "Our complete order processing system could now be unified, rather than scattered throughout assorted wings and buildings. Our central filing system became just that. This one gain alone has made the investment a profitable one. The personnel sections, addressograph departments, legal, engineering and many other functions were consolidated in locations most suitable to their functions and contacts rather than broken up into detached groups with staggering problems of communication."

The enlarged space also enabled the company to eliminate a wartime temporary wooden building which housed various departments, and to utilize this valuable land for part of a new tube mill. Transfer of a number of small scattered offices restored the space to production.

Other benefits of Shaw-Walker's scientific planning were an ingenious method for expansion of cafeteria facilities for the increased number of employees, expanded functioning of the Mix & Genest automatic pneumatic tube system which the company had installed a year before to speed up internal communications, and provision for all-over air conditioning. "We had previously considered it impractical, if not impossible," notes Mr. Faust, "to air-condition our entire building, and the layouts for our new space had been made for non-air conditioned space. However, while we were in

"Management has come to realize that a large slice of profits is lost each year through inefficient and antiquated methods and systems of handling office procedures."

"Related departments should be grouped in their own area to eliminate the waste of time and material in processing their work."

—H. W. Steinkraus



OZALID CO.'s OZAMATIC copying machine to speed up paperwork flow and reduce copying costs. An interesting application of this equipment in the State Department of Banking, Lincoln, Nebr., is described in the accompanying article.

the process of construction, Carrier Corporation's engineers presented an excellent solution which we applied to the entire building."

Lighting Advancements Adopted

Recommendations of Mr. Gad in the areas of partitioning, wall colors and lighting also were adopted. "Illumination in general work areas was maintained at 40 foot-candles and increased to as much as 75 foot-candles in sections where drafting and other detailed work was to be done. The drafting department was located on the north side of the building to take full advantage of the best natural light. Our ceiling illumination proved so adequate throughout that desk lamps were eliminated, even those traditionally found on every drafting table."

Management, being only human, had some reservations at the start, but, says Mr. Faust, "a year of use has proved the wisdom of the steps we took more successfully than any of the explanations offered at the time. This consultant enabled us to take an extremely difficult situation and come out with an office building we are proud to display as a model of attractive yet functional efficiency, one in which work output and morale of employees is at an all-time high."

"And," he adds, "we didn't realize how smoothly an office could function until we entered into this planning project. It is worth pointing out that 1953, the first full year of operation in the new arrangement, saw net sales at the highest level in our company's history, yet office confusion, lost motion and unnecessary overtime were at an all-time low."

Nebraska State Unit Solves Serious Paperwork Enigma

HOW the State of Nebraska department of banking solved its gargantuan problem of report copying is told by C. R. Haines, deputy director of the department at Lincoln, who worked out the plan for application of Ozamatic equipment.

"Periodic copying, in triplicate, of hundreds of examiners' reports which had to be returned to the bank and supplied to other supervisory agencies and the examiner, with proper information for succeeding examinations, had created a serious paperwork problem.

"The acquisition of the Ozalid Company's Ozamatic copying machine, which is capable of turning out a thousand prints an hour, made possible simple runoff of the examiners' reports. Paper work flow has been speeded up tremendously; tedious and costly transcription and proofreading ended, and copy work in the field eliminated. It has resulted in reduction of the stenographic office force from three full-time and one part-time girl to two full-time employees. In addition to copying of the reports, other clerical duties formerly done by another have been added to one employee."

Annual savings are estimated in the neighborhood of \$3,000 on salaries alone and at least \$500 additional on paper and other supplies.

Rowe Acquires Spacarb, Inc.

The Rowe Corporation by acquiring Spacarb, Inc., further diversifies its line of automatic merchandising machines. Rowe Spacarb, Inc., division of Rowe Manufacturing Co., Inc., has been formed to continue the production and marketing of the Spacarb line. I. Hayne Houston, formerly head of Spacarb, is president; R. K. Deutsch, vice president.

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A LIST OF WORTH-WHILE LIFE INSURANCE BOOKS—A 22-page bibliography on the field of insurance. Includes estate planning, actuarial science, mathematics, pensions. Write to the Institute of Life Insurance, 488 Madison Ave., New York 22, N.Y. Free.

EMBEZZLEMENT CONTROLS FOR BUSINESS ENTERPRISES—A booklet on practical methods of combatting embezzlement, by Lester A. Pratt, C. P. A., an authority on employee fraud prevention. Write to Fidelity and Deposit Company, Baltimore 3, Md. Free.

EXECUTIVE DEVELOPMENT IN SMALL BUSINESS—Booklet Number 12 in the Small Business Administration's Management Series was designed primarily to aid owner-managers of small manufacturing companies in selecting, holding and developing the kind of executive talent their companies need. The price per copy is 25 cents. Obtainable from the Superintendent of Documents, Washington 25, D.C.

MORE THAN FIFTY YEARS OF BUSINESS PROGRESS—a picture-story of the benefits and service facilities of the credit association. Revised. Can be had by writing National Association of Credit Men, 229 Fourth Ave., New York 3, N.Y.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving these booklets, please address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N.Y.

EFFICIENCY TIPS

409—The Shredmaster Corporation has introduced a portable shredding machine, designed for office use, that is quiet, compact, streamlined and economical. Ask for illustrated description folder. Free.

410—A handbook of basic facts and information on field warehousing is offered free on request by the Douglas-Guardian Warehouse Corporation.

411—A new personnel paging system that combines sound paging with two-way intercommunication for prompt location of roving individuals and for immediate answer from any point in the building is being introduced by Executone, Inc. Descriptive literature free on request.

412—Thomas A. Edison, Inc., is distributing a new folder containing timely ideas for cutting costs and boosting efficiency in handling correspondence. Copy free on request.

413—General Binding Corporation tells how to achieve attractive binding of catalogs, presentations, reports, manuals, etc., in a new eye-catching folder. Ask for a copy. Free.

414—Cummins Business Machines provides insurance protection up to \$25,000 for loss due to forgery or alteration in the use of the new Cummins Check Signers, which will sign 450 checks per minute, saving hours of executive time. Information on request.

415—Dunhill International List Company offers a compilation of more than 1,000 different kinds of mailing lists, from accountants to yacht clubs. The booklet, free on request, includes information on lists of mail order buyers and other special groupings.

A good turn is one that gets the blankets back on your side of the bed.

—Anonymous

BOOK REVIEWS

CREDIT MANAGEMENT YEAR Book 1954-1955—compiled by A. Leonidas Trotta, manager and research director, credit management division, National Retail Dry Goods Association. Vol. 21. 340 pages. \$6.50 to N.R.D.G.A. members and to N.A.C.M. members; \$10 to non-members. National Retail Dry Goods Association, 100 West 31st Street, New York 1, N.Y.

With credit sales now representing 58 percent of total department store volume in the United States and store heads polled by the N.R.D.G.A. convinced that aggressive promotion of credit sales is the means to sustain consumer purchasing and maintain our economy at its present level, the new edition of this annual publication emphasizes credit as a selling tool.

Comprehensive treatment is given to the topics of executive development, credit management, sales promotion, research and operating statistics, collections, credit bureau service, and operating problems of smaller stores.

OTHER BOOKS REVIEWED AND RECOMMENDED

THE CASE METHOD AT THE HARVARD BUSINESS SCHOOL—Edited by Malcolm P. McNair. \$5.00. McGraw-Hill Book Co., Inc., 330 West 42nd St., New York 36, N.Y. Presents papers by present and past members of the faculty and staff, traces history and development of a technique, borrowed from law school methods, and describes the working of this technique, as seen by instructors and graduates.

FAIRCHILD'S FINANCIAL MANUAL—27th annual edition, covering 1953 operation. \$7.50. Fairchild Publications, Inc., 7 E. 12th St., New York 3, N.Y. Covers more than 300 retail and textile corporations, officers, description, net sales and profits, assets, liabilities, income and statistical summary.

EFFECTIVE LETTERS IN BUSINESS—By Robert L. Shurter. \$3.00. McGraw-Hill Book Company, Inc., 330 W. 42nd St., New York 36, N.Y. (New second edition.) This presents a concise yet complete treatment of the subject, keyed to the practical, everyday problems of business.

Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.



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of the NATIONAL ASSOCIATION
of CREDIT MEN

Report on



SUPPLY CO.,

KANSAS
COUNTY

SEPT. 30, 1954

The accuracy of this Report is not guaranteed. Its contents are gathered in good faith from members and sent to you by this Bureau without liability for negligence in preparing, collecting, communicating or failing to communicate the information so gathered.

BUSINESS CLASSIFICATION	HOW LONG SOLD	DATE OF LAST SALE	HIGHEST PAST DUE CREDIT	NOW OWING INCLUDING NOTES	TERMS OF SALE	PAYING RECORD			COMMENTS
						DAYS DUE COUNTS WITHOUT INTERVAL	DAYS DUE COUNTS WITH INTERVAL	DATE BECOME SLOW	
KANSAS CITY 913-20	4yrs	8-54	901			2-10-30	x		
Spt G	2-52	9-54	352	109		N 10	x		
Pet	yrs	8-54	1128	923		30	x		
PVAL						2-10-30	x		
Haws	yrs	9-54	316			1-10-30	x		
Furn	5mos	8-54	1307			Medium four figure depository account is satisfactory. Loans, unsecured, to low five figures, now owing high three figures. Satisfactory.			
Bank	yrs								
ST. LOUIS 914-621									
PAK	2yrs	9-54	325	126		2-10-30	x		
Elec	yrs	9-54	1055	842		1-10-30	x		
EVANSVILLE 913-202									
Furn	yrs	9-54	4844	1047		2-10-30	x		Order \$1,457
WICHITA 914-316									
Ind S	yrs	7-54	970			2-10-30	x		
MEMPHIS 914-418									
Paper	4yrs	6-54	241			2-15-30	x		
INDIANAPOLIS 914-703									
Haws	2-46	8-54	465	106		2-15 N	x		
Spt G	1-53	9-54	219	219	60	2 SON	x	15	Usually prompt
TACOMA 915-227									
Furn	1952	8-54	1386			1-10-30	x		
Bu. 2 JN									

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Microfilm Viewer Introduced

A-118 A new device to make microfilming more usable as a working tool in business has been introduced into this country. Called the KANGAROO READER, the French-made product permits viewing of 16, 35, or 70 mm. microfilm in strips, cut frames or mounted in cards or jackets. The unit can be used under normal office light and permits projection on either a desk or wall. For conference work, enlargements up to six feet are possible with wall projection. Exclusive American distributor for the new product is the AMERICAN MICROFILMING SERVICE COMPANY. We shall be glad to give you additional information.



Add-Punch Machine

A-120 The Friden Add-Punch Machine is an adding and listing machine with a tape-punch mechanism. As items are printed, or printed and added on a standard adding machine tape, essential selected data may be automatically punched on a five-channel code tape. The printed tape



Calculating Machine Desk

A-119 REPUBLIC STEEL CORPORATION is manufacturing a new calculating machine desk that provides a neat and simple recess for the machine, with easy sliding drawers for supplies within arms reach. Study showed that a permanent, stable platform for the equipment being used would serve best. The calculating machine desk is being adapted in many cases as a typewriter or adding machine desk as well. It is topped with a heavy-duty stain-resistant linoleum, as well as quick height adjustment. The two drawers include one box drawer on nylon gliders, and a large file drawer with compressor, sliding on ballbearing rollers. A concealed, locking center drawer provides spaces for supplies without impeding knee room. Write us for further details.

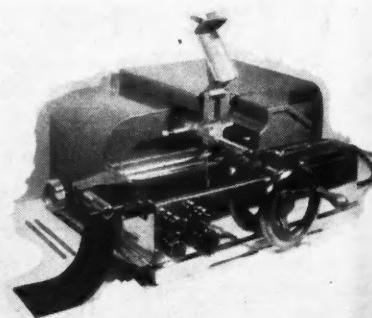
This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.

is an original source document. The punched tape has many uses for subsequent data processing. From the Add-Punch Machine the code tape may be sent directly to a card-punch machine, completely bypassing the intermediate operations of punching and verifying cards and the copying of original data. The manufacturer is the Friden Calculating Machine Company.



New Plate Notching Machine

A-121 The SPAN Company announces its new precision built notching machine for Speedaumat plates which notches from one to two hundred plates at a time with precision accuracy. It can cut these notches either before or after the plates are embossed. Its moving parts are so shielded that the operator is fully protected. The machine can cut one or more notches at one time along the top edge of the plate. With slight alteration, it would be able to cut an equal number of notches on the bottom edge as well. There are no adjustments for the operator to make. SPAN can cut, with one to 24 notches, thousands of the plates in an hour, says the manufacturer, with no skips, no failure to select all plates that should be eliminated from the lists. Ask us for additional details.



New Recorder and Transcriber

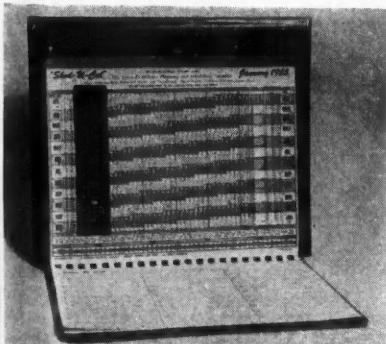
A-122 A new system providing dictation facilities is announced by the Gray Manufacturing Company. The new product, called the PhonAudograph III, gives users a central dictation system, to which may be connected from one to 12 individual dictating instruments, resembling standard telephone handsets. Though the system is designed to serve a group of persons dictating, installation for a single user is called economical. Some of the features of the PhonAudograph system are: push button control of playback, marking of corrections, marking of end-of-letters, and direct communication with the recorder attendant through the user's dictation instrument. Users are assured of privacy both when dictating and when giving the attendant special instructions on



transcription of his dictation. Other stations are "locked out" when one is using the system.

Planning and Scheduling Calendar

A-123 The L. D. BLEHART COMPANY has produced a new type of calendar called the "SKED-U-CAL." This calendar tells you the date and day wanted for any number of days, weeks, or months, from any day of any month. It tells you the number of days, weeks, or months between any two dates. It works forward to future months and backward to past months, and time between. It gives you 60 complete future monthly calendars and 12 past, from every current month. Instead of including expired months, each current month-page shows 12 complete future monthly calendars. Format of "Sked-U-Cal" is book style, with 12 full-size monthly calendars on upper pages of book; the 12 lower pages have dated daily spaces for record and follow-up notes.

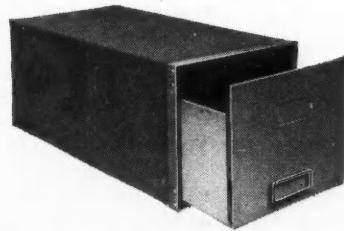


Indexing Visibly Tabulated

A-124 A mail order service, a radio and television dealer, a law office—these are some of the diverse types of business utilizing the Bookardan Indexing system which is based on the principle of visible tabulation of indexing data and is designed to eliminate unessential paperwork and equipment. With the Nu Plan Record Company's system, alphabetical, numerical and chronological data are supplied in one place. Because name entries are positioned under the re-

spective letter of the alphabet, the user merely reads down a particular column when looking for a name, beginning with the corresponding letter of the alphabet.

For example, the mail order service, seeking a simple, inexpensive method of handling its volume of correspondence and other detail, utilizes three Bookardan units: (1) The folders, which enable listing on the outside the threefold index (alphabetical, numerical and chronological) to the correspondence contents. Each folder holds up to 40 letters. Inquiry correspondence as received is simply listed on the front index and filed inside seriatim. (2) The Bookardan visible card index can be used also for quick analysis of sales volume because the cards, filed chronologically as well as numerically, are easily isolated for totaling volume for any period. (3) The Bookardan record book, which, in addition to the index pages, contains numbered facing pages that provide space for special explanatory notes and eliminate the need for individual case files.



Transfer Storage Cases

A-125 The WEIS MANUFACTURING COMPANY has manufactured a new steel front transfer storage case for inactive valuable records. The SUPER WIZARD is made of fibre and steel material. Both drawer and shell are strongly reinforced at all stress points. The easy operating drawer has a double thick steel front. The shell of the Super Wizard is supported by steel on all four front edges. There are only three separate parts and no tools or messy gummed tapes are needed. Further information if you write us.

TypeWriter and Briefcase

A-126 A clever combination of the typewriter and briefcase in one has been made possible by the Tippa



Products Company. The entire case is no larger than the city telephone book, and almost as light. Depending on the weight of the paper, from 6 to 10 carbon copies can be legibly made, and the portable takes a No. 10 envelope.

Automatic Verifying Method

A-127 A mechanical method for verifying punched cards with automatic flagging of cards containing errors is introduced by Remington Rand Inc. The original and the verification punching are made in the same card, but comparison of results is a separate mechanical operation. In a card that is punched and verified correctly, every round hole will become oval, but a card that is punched and verified incor-



rectly will contain one or more round holes. As each card is verified, a special hole is punched in its righthand margin as proof that it has been processed by the machine.

THE Visual Bookardan tandem-index permits indexing two names on each line. In legal applications this shows names of plaintiff and defendant on one line. Reference number and date are provided.

TANDEM INDEX		DATE
NO.	ABCDFGHJKLMOPQRSTUVWXYZ	ABCDFGHJKLMOPQRSTUVWXYZ
1	BALCH	KIRKMAN
2	DOLAN	MORSE
3	FOX	PREWER
4		ROBERT
5	BINNS	SAMUELS
6	HARRIS	JARVIS
7	LIND	COMMINGOS
8	DOWELL	PRENTISS
9	BRUMMER	HARPER
10	MERKEL	THOMAS
11	CONNORS	SMITH
12	HILL	HOODWARK
13		JACKSON
14	MENEMEN	FARMER

Floor Plan and Open Account Financing Systems Take New Roles in Selling Era

FLOOR PLAN credit and OPEN ACCOUNT credit take on special significance in today's accent on a revival of salesmanship. "An understanding of and promotion of current sound financial plans is a basic requirement for both Credit and Sales department operations in successful distribution of products at the wholesale level today," says R. H. Lawrence, assistant treasurer of the Frigidaire Division, GMC, Dayton, Ohio. Mr. Lawrence, who speaks from a highly competitive field of business, adds that many executives are unfamiliar with the fundamentals of these two commonly used forms of financing.

FLOOR PLAN FINANCING

Floor planning is a financing arrangement, with either a small down payment or none, whereby a dealer may acquire possession of products for inventory, display purposes and resale. The dealer's obligation to the bank or finance company is evidenced by a trust receipt agreement and promissory note. Title to the products remains with the finance company or bank as security, retained for and until the dealer as trustee pays the balance due on the note.

Payment of the note is due at any time the products leave the possession of the dealer, unless previous arrangements have been made for their demonstration in prospects' homes. Since the dealer is in a position to sell floor-planned products to a third party with good title, or otherwise dispose of them, without liquidating his obligation, the credit factors in floor planning arrangements are principally those of trust and financial responsibility.

Adequate Inventory at Low Cost

This financing permits a dealer to carry adequate inventories at low financing cost. It has become the practice of many manufacturers and wholesalers to absorb finance costs during peak stocking programs and when products are stocked in advance of the major selling season. It conserves his cash working capital and potentially increases sales because he has products on hand which he otherwise could not stock.

The floor plan device enables the

RICHARD H. LAWRENCE began in the credit department of the Frigidaire Division of General Motors Corporation, Dayton, Ohio, immediately following graduation from DePauw University in 1926. He was assigned to the vice president's office and to the auditing department before appointment as credit manager for the central sales region in 1931. He advanced successively to assistant credit manager for the Frigidaire Division in 1932, credit manager in 1940, and assistant treasurer in charge of credit and collections in 1951. He was elected to the presidency of the Dayton Association of Credit Men last year.

wholesaler to stock his products at the dealer's location and at the same time keep his investment in accounts receivable at a minimum, by discounting the wholesale documents with his bank or finance company.

It is not the purpose of floor planning credit to provide a means whereby dealers can overstock, Mr. Lawrence warns, but in some instances an unbalanced condition of inventories may result, either from poor judgment at the time of the sale or lack of effective sales effort by the dealer.

Because clean inventories are so important to financing institutions, it is important that old or slow-moving items in inventories be disposed of as quickly as possible, consequently maintaining lines of credit open for the floor planning of new products. In some cases it may even be advisable to make a readjustment or reallocation of products between dealers.

OPEN ACCOUNT FINANCING

The familiar open account form is usually short term credit not to exceed NC 10th prox. or 30 days, with the amount of credit available dependent upon the financial responsibility or requirements of the dealer.

In the appliance industry, particularly in recent months, it has been the observation of Mr. Lawrence, who is immediate past president of the Dayton Association of Credit Men, that "some wholesalers in their desire for increased sales from

established dealers, or as an incentive to attract new dealers, have discarded some of the fundamentals of credit to the point where payment dates have been extended for as long as six months, and unbelievably high amounts of credit, based upon normal credit standards, have been approved." Result: a competitive situation has developed to a point that terms of sale and the amount of credit that may be made available "overshadow products and prices, and in many instances determine whether or not a dealer will handle your line, and sell it in quantities if he has it."

The judicious extension of credit will increase sales, but the abuse of it through over-extension in the long run is not good either for the dealer or the wholesaler, because it opens the door for the dealer to become lax in his credit and collection efforts. Sooner or later, Mr. Lawrence warns, this spells trouble for both dealer and wholesaler.

National Surety Underwriting Fire Insurance Countrywide

National Surety Corporation, a member of Fireman's Fund Insurance Group since January of this year, is now underwriting fire insurance and allied lines on a countrywide basis. President Ellis H. Carson announced that the Fireman's Fund Group "have made the full scope of their facilities available."

A leader in the fidelity and surety fields, National has steadily expanded operations. An inland marine insurance department was established in 1940, and four years later the corporation entered the general casualty insurance business.

Microfilm Trial by Fire

The problem of the best method of protection for microfilm is undergoing new tests under the direction of the NFPA Committee on Protection of Records. In a report recently presented by Dr. J. M. Calhoun, of the Committee, one test of the effect of heat, with and without steam, on present day microfilm showed no damage to a 16mm. x 100-ft. roll of film stored in a cardboard carton heated for 24 hours at 250 deg. F. without steam.



From Lake Michigan to skyline via the Boulevard, with the Conrad Hilton at the left.

GET SET NOW FOR CONVENTION

FOR the first time in the history of the National Association of Credit Men, all delegates will be housed in one hotel when the 59th Annual Credit Congress assembles in Chicago's Conrad Hilton May 8 to 12 next year.

The world's largest hotel, built in 1927 at a cost of \$25 millions, has 3,000 rooms in the 25-story structure of more than 1,400,000 square feet of floor area. No wonder the hotel maintains its own fire department.

All plenary sessions of the convention of the National Association of Credit Men will be held in the Grand Ballroom, called the world's largest, just as the Conrad Hilton frequently is termed the "convention center of the world."

The half-dozen dining rooms in the hotel provide another valued adjunct for conventions. Besides the Grand Ballroom, there is the Boulevard Room, dinner and supper room famed for its twice-nightly Ice Show on a record-size rink permitting performance by a large cast. Eating centers also include the Oak Grill Coffee Shop, the Park Row, the Lakeside Green and the Old South Lounges.

Convention Committees in Action

On Michigan Boulevard, the "Boul Mich" of trade, romance and folklore, and overlooking Grant Park and Lake Michigan, the Conrad Hilton plays its share in upholding Chicago's name as a tourist's paradise. Visitors to the city last year exceeded 15 millions, more than one-third as vacationists, another million

to attend conventions and trade shows.

In such a setting the Chicago Association of Credit Men is busily shaping plans for the Credit Congress, under the leadership of Convention General Chairman Vernon A. Bingham, Macwhyte Company,

Kenosha, Wis., president of the Chicago association; these vice general chairmen: William M. Edens, Continental Illinois National Bank and Trust Company of Chicago, second vice president of the local association; Earl E. Diehl, Westinghouse

(Concluded on following page)



Rooms for all attending the 59th Credit Congress

CREDIT MANAGEMENT HANDBOOK PUBLICATION CONTRACT SIGNED

CONTRACTS have been signed between Richard D. Irwin, Inc., internationally known book publishers, and the Credit Research Foundation, National Association of Credit Men, to insure maximum distribution of the Credit Management Handbook, 1,000-page manual of credit policy and practice to culminate a three-year research and writing project of the Foundation.

Executives from more than 35 companies have been enlisted to date to contribute to the most comprehensive reference work available in commercial credit knowledge and techniques.

The copyrighted outline was compiled by an editorial advisory committee of credit and financial executives in conjunction with the following editorial advisory board: Dr. Carl D. Smith, managing director of the Credit Research Foundation; William J. Dickson and Robert M. Gardineer, associate directors; and Dr. Lawrence E. Thompson and Leonard Marks, Jr., faculty members of the Graduate School of Business Administration at Harvard University.

Among the subjects treated in the 35 chapters of the Credit Management Handbook, daily working tool for credit personnel at every level, will be: Organization of the commercial credit department; Decision making; Collections; Measuring and appraising the results of credit operations; Receivables and bankruptcies; The manufacturer and the financing of consumer durables; Foreign credit; Credit insurance; Credit mathematics.

Credit Congress in One Hotel

(Concluded from page 35)

Electric Corporation, councillor and past president; Paul R. Gross, United States Steel Corporation, director; H. J. Cunningham, Stromberg-Carlson Company, treasurer; Executive Committee Chairman Leland Hadley, Goodman Manufacturing Company, first vice president of the local association; Advisory Committee Chairman G. T. Thomas, Sherwin-Williams Company, Chicago past president; and Alexander (Al) G. Potter, secretary of the convention executive committee and executive manager of the Chicago association.

For one interested in statistics, the unfolding of the story of the Conrad Hilton (before October 1951 the Stevens hotel) could run on and on. We said 25 floors; actually, there are 36 (going up to the towers and down to the fifth sub-basement). That means 2,000 employees, 25 elevators carrying 107,000 persons a day ("4½ million miles" since the hotel opened). There's a 14-story service building behind the hotel main structure.

Were the weather unseasonably warm—the Chicago Association of Commerce has issued strict orders forbidding it—the Conrad Hilton's laundry in a month handles 32,500

shirts (total flat work 1.2 million pounds, it says here). For that call "to the office" there are 75 daily operators and supervisors for the 4,000 telephones. We could mention the 675,000 cubic feet of air used per minute for ventilation, but that could only suggest incredulity toward all the figures.

What the statistics do add up to is this: With hotel and assemblage convenience the prime consideration of any convention, for facility and expedition of Credit Congress business and other activities never has National had it so good.

And what Chicago has to offer the thousands attending the convention? There's a story for another day.

Bank of America Brochure Pictures State's 50 Years

A 32-page multicolor brochure, "The California Trend," is the latest in a series of Bank of America studies of the directions and potentials of business in the state. The half-century of progress to which the Bank has contributed is depicted in profuse illustrations, tables and charts as part of the golden jubilee observance of the banking institution. Profiles of A. P. and L. M. Giannini appear in medallion relief on the front cover.

Credit Management Color Film Ready for School or Business

A 15-minute sound-color 35 mm. film strip, CREDIT MANAGEMENT—CAREER WITH A FUTURE, has just been completed by the Credit Research Foundation and the National Institute of Credit, in cooperation with the Bernard M. Baruch School of Business and Public Administration, City College of New York.

The film, an audio-visual introduction to the opportunities in credit management, presents a survey of the credit field with emphasis on commercial credit and the importance of credit to business progress.

The film is geared for use in high schools and colleges and for orientation programs in business organizations. A personnel director answers a young man's questions on position opportunities, job security, promotional possibilities, experience and educational requirements.

CREDIT MANAGEMENT—CAREER WITH A FUTURE, is available for purchase or rental from the Audio-Visual Extension Service, The City College Baruch School of Business, 17 Lexington Avenue, New York 10, N.Y., or through the Credit Research Foundation, 229 Fourth Avenue, New York 3.

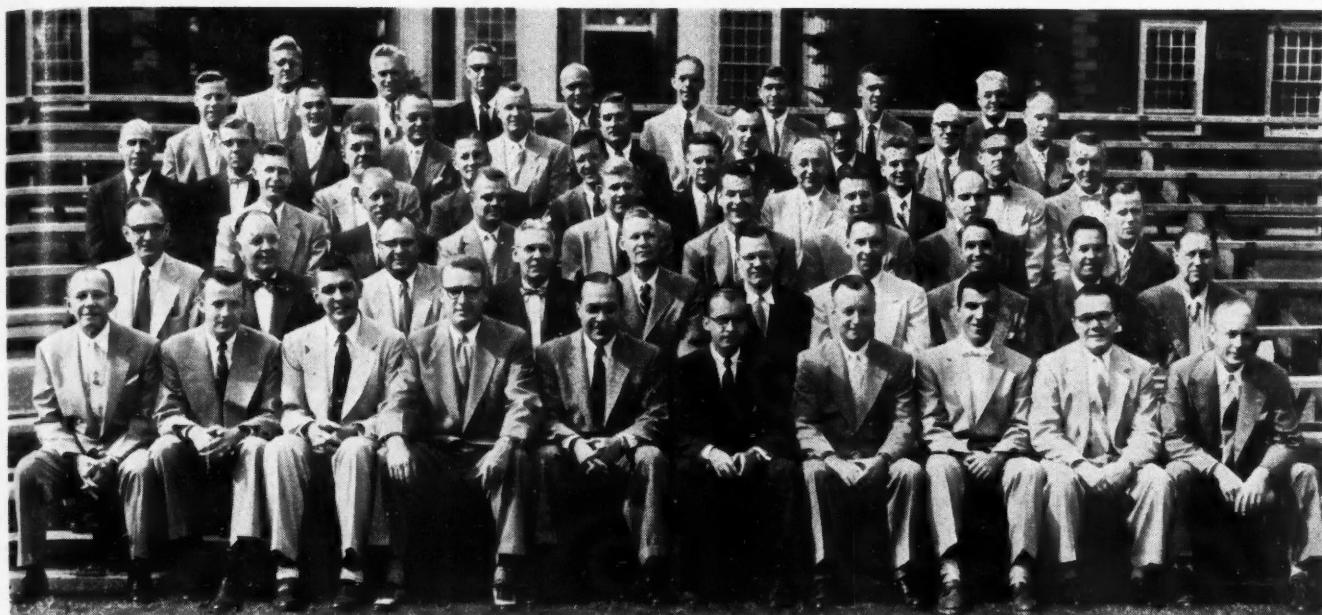
Vice Presidents and Directors Of Robert Morris Associates

In the official family of the Robert Morris Associates with President Edward F. Gee, vice president and secretary of the State-Planters Bank & Trust Company, Richmond, Va., whose election was announced in CFM September, are the following:

First vice president, James T. Overbey, senior vice president of the First National Bank of Mobile, Ala.; second vice president, J. Wallace Ely, executive vice president of the Security Trust Company of Rochester, N.Y.; and these association directors: Fred E. Pike, vice president, Walker Bank & Trust Company of Salt Lake City; Robert O. Wendling, vice president, National City Bank of Cleveland; Alvin G. Keller, vice president, Mellon National Bank & Trust Company, Pittsburgh; G. Kenneth Crowther, second vice president, Guaranty Trust Company of New York.

Wins Report Award Fourth Time

For the fourth consecutive year, The Globe-Wernicke Company has received the merit award from *Financial World* for its 1953 annual report, which was prepared under the direction of R. H. Hammer, Globe-Wernicke president.



They Earned the Credit Executive Award at N.A.C.M.'s Dartmouth Graduate School

CALENDAR OF COMING EVENTS IMPORTANT TO FINANCIAL MANAGEMENT

NASHVILLE, TENNESSEE

October 20-21-22-23

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina and North Carolina, Louisiana.



ST. JOSEPH, MISSOURI

October 20-21-22

Quad-State Annual Credit Conference, comprising Missouri, Kansas, Oklahoma and Southern Illinois



SAN ANTONIO, TEXAS

October 21-22-23

Annual Southwest Credit Conference, covering Texas, Louisiana, Arkansas, Oklahoma, New Mexico and Arizona.



TACOMA, WASHINGTON

October 23, 24

Northwest Credit Women's Conference



DES MOINES, IOWA

October 23-24

Mid-West Credit Women's Conference



BOSTON, MASSACHUSETTS

October 27-28

Annual New England District Credit

Conference, covering Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont



COLUMBUS, OHIO

October 29-30

Ohio Valley Regional Credit Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.



LOUISVILLE, KENTUCKY

November 10

Credit Research Foundation Trustees



LOUISVILLE, KENTUCKY

November 11-12-13

N.A.C.M. Board of Directors



KANSAS CITY, MISSOURI

November 14-15-16

American Petroleum Credit Conference

PHILADELPHIA, PENNSYLVANIA

January 20, 1955

Credit Research Foundation Conference



CHICAGO, ILLINOIS

May 8-12, 1955

59th Annual Credit Conference and Convention, National Association of Credit Men.



STANFORD, CALIFORNIA

July 3-16, 1955

Stanford University Session of the N.A.C.M. Graduate School of Credit and Financial Management



HANOVER, NEW HAMPSHIRE

July 31-August 13, 1955

Dartmouth College Session of the N.A.C.M. Graduate School of Credit and Financial Management



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The three B's of business:

Be bright.

Be brief.

Be gone.

—Anonymous



AN IMPORTANT PUBLICATION AND ON A TIMELY SUBJECT!

Partial Outline of Contents

Credit Policy and Extension of Credit • Credit Policy and Collections • Credit Policy and Other Operations • Measuring Credit Extension Results • Measuring Collection Results • Measuring Credit's Contribution to Sales • Management's Appraisal of Credit Performance • Cost Data in Appraising Credit Department Effectiveness.

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A Study ON **MEASUREMENT OF CREDIT DEPARTMENT EFFECTIVENESS**

► AN OBJECTIVE APPRAISAL OF THE MOST COMMONLY-USED MEASUREMENT TECHNIQUES AND RECOMMENDATIONS FOR THEIR IMPROVEMENT.

► A RESEARCH STUDY BY TWO HARVARD BUSINESS SCHOOL SPECIALISTS WORKING UNDER THE DIRECTION OF THE CREDIT RESEARCH FOUNDATION.

Three Credit Fraud Artists Get Federal Prison Terms

Three prosecutions for credit fraud within recent months bring to 1,735 the number of cases in which the Fraud Prevention Department of the National Association of Credit Men has been instrumental in assembling the evidence that has brought the criminals to book, reports John C. Fredell, Jr., director of the department.

Jack Haber, secretary-treasurer, Supreme Lingerie Co., Inc., was convicted in federal court, New York City, of concealing assets of \$6,832 and was sentenced to two years in prison July 29, 1954. He had been indicted in December 1952 and while awaiting trial continued to pursue questionable business practices. Said the court in sentencing Haber: "If people like you are allowed to go unpunished, then it will be a license to everyone to be the kind of businessman you have been."

Jose Gonzalez and Robert Rodriguez, who had been involved in the bankruptcy of the Triangle Shoe Store, New York, were convicted on July 7, 1954, the first-named on a charge of concealment and conspiracy to conceal assets of \$25,000 the latter on the conspiracy charge alone. Gonzalez was sentenced to 18 months in federal prison, Rodriguez was given a six-month sus-

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) of CREDIT AND FINANCIAL MANAGEMENT published monthly at 404 No. Wesley Ave., Mount Morris, Ill., for November, 1954.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y.; Editor, Ernest A. Rovelstad, 229 Fourth Avenue, New York 3, N.Y.; Managing editor, none; Business manager, Edwin B. Moran, 229 Fourth Avenue, New York 3, N.Y.

2. The owner is: National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y., a non-stock corporation with the following officers: Pres. C. H. Bradshaw, Bausch & Lomb Optical Co., Rochester, N.Y.; V.P. A. E. Southgate, The Philadelphia & Reading Coal & Iron Co., Philadelphia 5, Pa.; H. M. Kessler, The Standard Printing Co., Louisville 2, Ky.; Elmo Trimble, Wilson Paper Co., Los Angeles Calif.; Exec. V.P. and Mgr., Henry H. Heimann, New York, N.Y.; Treas., Ruth Hector, New York, N.Y.; Secretary, E. B. Moran, New York, N.Y.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

ERNEST A. ROVELSTAD, Editor
Sworn to and subscribed before me this 13th day of September, 1954.
(Seal) GERTRUDE J. JUDGE
(My commission expires March 30, 1956.)

One can have an open mind without having holes in his head.

—Anonymous

pended sentence and placed on probation for five years.

Gonzalez controlled two shoe stores but concealed from creditors the fact that he was interested in either of them. He directed his employee at one store (who held himself out as the actual owner) to order large quantities of shoes by placing relatively small orders with many suppliers. On receipt, many of the shoes were diverted to the second store, which on the record had no connection with the first one. Some of the merchandise was sold, but a large part of it was physically concealed, and eventually was recovered.

In another shoe store action earlier, E. P. Clawson, trading as Famous Brand Shoe Store, LaFollette, Tenn., was convicted of mail fraud. On May 14, 1954 Clawson was placed on probation for two years. The defendant had mailed materially false financial statements to his creditors.

Melbourne A. Williams Dies; At Reynolds Metals, Chicago

The death of Melbourne A. Williams, Reynolds Metals Company, Chicago, came in his 40th year. He had been five years in the credit department in Chicago, after eight in the Louisville office. He was active in credit groups.

E. Porter Essley

Past president of the American Machine Tool Distributors Association, E. Porter Essley was vice president and general manager of the E. L. Essley Machinery Company, Chicago.

Montfort Jones

Montfort Jones, 63, was director of the Pittsburgh branch of the Federal Reserve Bank of Cleveland, and professor of banking in the school of business administration, University of Pittsburgh. He was active in The Credit Association of Western Pennsylvania for 30 years and served as chairman of the N.A.C.M. banking committee. He was a member of the Small Manufacturers Institute of the University of Pittsburgh, the research council of the American Bankers Association and the American Economic Association. He was a native of Wisconsin.

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229 Fourth Ave., New York 3, N.Y.

Here's my \$3.25 check for the binder. Send to

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My Biggest Headache

Long-Time Customer Runs into Difficulty

CLIFFORD HEATH, Credit Manager, Sealright Company, Inc., Fulton, New York

MODERN philosophy holds it a sign of old age if you refer to the "good old days"; but comparing today with 20 years ago there are very few HEADACHES for the Credit Manager. However, one thing noticeable in our business the last several months is that many good customers, on the books for years, are now in a bit of trouble. I'm referring to accounts that run into nice volume and until a short time ago discounted regularly.

Now these folk find competition has set in and they have been losing money; or a sizeable inventory has built up; or their accounts receivable have slowed down. Any one or all of these conditions are reflected in the

fact our good customer is not able to discount now. Having been an excellent account for some time, Mr. Customer expects us to go along with him. The debtor naturally doesn't get too excited about this situation so long as the creditor doesn't "holler too loud." Of course, the customer was in the bucket before we found it out, because you can't yell the minute a good account stops discounting. It presents a rather ticklish situation because, while sales volume is of prime importance, it takes a substantial increase in only a few such cases to make a noticeable effect on the accounts receivable. The debtor always anticipates getting straightened out and back on a discount basis in a month or six weeks.

The credit manager has a responsibility to continue to sell such accounts which have fallen into the marginal risk class, because a credit department is unnecessary to sell

AAA1 accounts that discount all bills. That's the biggest "headache" at the moment!

Nothing much can be done to save a customer from getting into such a situation; but you can be of real help in bailing him out and getting him on his feet again. I have found it pays to make a personal call and in a friendly manner discuss the situation. In order to be of very much assistance it is necessary to see a complete, up-to-date financial statement. As a credit manager it is therefore advisable to first take a refresher course in financial statement analysis. A careful study undoubtedly will make it possible to point out why the business is going behind or having difficulty.

Comparing the figures with those of a successful customer in a similar business (using percentages and not revealing the name) is very impressive upon the customer and mighty helpful too. Also, ratios for comparison are most enlightening.

If you get your customer headed in the right direction, you have made a good friend and a mighty loyal customer. In business or in one's personal life, if you can't give somebody a helping hand, then life is hardly worth living. There is a tremendous satisfaction in assisting a customer in such a way. I'm happy to have developed several very enjoyable friendships while doing my job and keeping my company from suffering a loss, at the same time developing an even better outlet for our merchandise.

New "BUSINESS REVIEW" Form

THE Publications Committee of the National Association of Credit Men has just approved a new Credit Application Form designated as a "BUSINESS REVIEW."

¶ The new form, for use by wholesalers and manufacturers responding to inquiries or orders received from unrated merchants, is also designed to give general business information about the customer which is not available from other sources.

¶ The BUSINESS REVIEW form has four pages. The front page is a letter of acknowledgment of an order for a new account.

¶ Included also are a brief financial statement form and a section for "Description of Insurance Protection Carried."

Samples will be sent on request

NATIONAL ASSOCIATION OF CREDIT MEN

229 Fourth Avenue, New York 3, N.Y.

Henry F. Scherer Dies

Henry F. Scherer, who died in New Orleans, had been since 1943 the executive vice president of Douglas-Guardian Warehouse Corporation and Douglas Public Service Corporation.

MANAGEMENT IN THE NEWS

Adds Assistant Treasurer To Duties as Credit Manager

Organization of the company's pricing division was the first mission accomplished by Frederick Kiel, Jr., after joining the Owens-Corning Fiberglas Corporation, Toledo, Ohio, in 1941. After wartime service with the Army Engineers, he returned to the company to manage its pricing division. He was appointed credit manager in 1950 and now he has been named assistant treasurer, while continuing as credit manager. Following graduation from Wayne University he was associated with the Union Guardian Trust Co., Detroit, and Firestone Tire & Rubber Co., before joining Owens-Corning. Mr. Kiel is vice president and a director of the Toledo Association of Credit Men and chairman of the Building Material and Construction Industry committee of National.



FRED KIEL, JR.



F. J. FLOM



C. E. KELLEY



C. A. NEEDHAM



A. O. AYRES



R. J. WAHOSKI

Switched from Teaching to Utilities Credit Operation

A move from high school teaching in Saginaw, Mich., to the Detroit Edison Company in 1928, put Fred J. Flom on the right track to professional advancement and achievement. From Menominee, in the upper peninsula of Michigan, named for an Indian tribe and signifying "rice gatherers," native son Fred Flom went on to the University of Michigan, where he earned his A.B. In 1928, after two years of high school teaching in Saginaw, he entered the employ of Detroit Edison. He now is assistant superintendent of the Michigan utility's collection department and president of the Detroit Association of Credit Men.

Paper Company Official Is for Credit and Community Progress

The treasurer and director of the Tulsa Paper Company, Tulsa, Okla., C. E. Kelley, is the sort of man who invariably assumes responsibility in the organizations with which he becomes affiliated. He is a director and treasurer of the South West Paper Merchants Association. He was active in the founding of the Tulsa Wholesale Credit Managers Association, of which he is a charter member. President of the latter in 1935-36, he has now been reelected to that honor. He is a member of the Tulsa Chamber of Commerce civic improvements committee and the Tulsa chapter of the National

Office Managers Association. With the Tulsa Paper Company 28 years, he is also credit and office manager. Amateur movies and color photography engage his leisure time.

His Dinners Lubricate Wheels Of Business and Fellowship

No doubt some of his best ideas come to the recently elected president of the Omaha Association of Credit Men, C. A. (Al) Needham, on taking over as chef, as he frequently does when committees of the Omaha association meet. Mr. Needham is general manager and a partner in the Missouri Valley Machinery Company, Omaha, Nebr., distributors for the Caterpillar Tractor Company in western Iowa and eastern Nebraska. He was at the Caterpillar Tractor headquarters in Peoria, Ill., for 13 years, first as auditor of disbursements, then as assistant credit manager in the treasury department. During the war he was assistant to the president of the John Fabick Tractor Company, St. Louis, and in 1945 went to Omaha to organize the Missouri Valley Machinery Company.

Interest in Credits Allied With Accountancy Progress

Accountancy and credit frequently make up the team drawing a man on to success. Take A. O. Ayres, recently named president of the Waco (Texas) Wholesale Credit Men's Association, whose interest in credit operations has kept pace with his advance in accounting work. Born in 1918 at Flat, Texas, near Waco, Mr. Ayres went from a local business college to work for a wholesale grocery firm. In 1940 he was made office and credit manager, meanwhile completing the course of the International Accounting Society. Following return in 1946 from five years' military service, there was a brief period with the Behrens Drug Company, Waco, before he went into public accounting. In 1953 he returned to Behrens as chief accountant, a post he currently holds. He is a licensed C.P.A.

In the air corps with the 13th Troop Carrier Squadron in New Guinea and the Philippines he won numerous decorations. Quiet pursuits, such as woodworking and church activities, are preferred now. In the Waco credit association he has been a vice president and chairman of the program committee.

Vice President of Evansville Bank Began as RFC Office Boy

The office boy can still become president, thanks to the American way of life. From St. Louis, where he was born in 1916, Ralph J. Wahoski, now vice president of the Old National Bank, Evansville, Ind., went on to employment in the RFC Agency in 1932 and became an examiner in the loan administration and loan application section. After 25 months overseas in the Army, he studied at St. Louis University and in the Graduate School of Banking, Rutgers University, leaving the RFC in 1948 to join Old National Bank as assistant vice president charged with organization of a credit department and administration of commercial loans. He was promoted to vice president that same year. Mr. Wahoski, an instructor in the American Institute of Banking's school program at Evansville College and immediate past president of the Ohio Valley chapter of the Robert Morris Associates, is now president of the Evansville Association of Credit Men.

CREDIT AND FINANCIAL REPORTER

Brief Items on Credit Activities and Meetings

BOSTON, MASS.—The new business year sessions of the Boston Credit Men's Association got off to a flying start with a dinner meeting addressed by Edwin B. Moran, secretary and assistant executive manager of the National Association of Credit Men. His subject, "A Credit to Credit," was the cue for special honors to Henry J. Lamb, executive manager and secretary of the Boston organization. Mr. Lamb is now in his 26th year of service to the association.

MEMPHIS, TENN.—Roy C. Ryan, senior industrial relations representative of the Tennessee Department of Employment Security, spoke before members of the Memphis Association of Credit Men at a dinner meeting. At a previous luncheon gathering the speaker was Tim Treadwell, Jr., of Treadwell and Harry, general insurance company, on replacement costs and contingent liability.

LOUISVILLE, KY.—C. Herbert Bradshaw, general credit manager of Bausch & Lomb Optical Company, Rochester, N. Y., and president of the National Association of Credit Men, addressed the Louisville Credit Men's Association, and officers were installed, at the annual meeting in French Lick, Ind.

MANSFIELD, OHIO—Professor W. Arthur Cullman of Ohio State University addressed the dinner session of the regular meeting of the North Central Ohio Division of N.A.C.M. His topic was "Marketing Looks at Credit."

PHILADELPHIA, PA.—Dr. Neal Bowman, National Association of Manufacturers, opened the fall luncheon series of the Credit Men's Association of Eastern Pennsylvania with an address titled "The Challenge to Complacency" . . . The final talk in a series explaining the Uniform Commercial Code of Pennsylvania was presented by Carl W. Funk, attorney, at an earlier meeting, with bank deposits and collections the immediate subject.

GRAND RAPIDS, MICH.—How credit executives can contribute to profitable company operation in a competitive market was discussed at a luncheon by Samuel J. Schneider, special representative, N.A.C.M., and former executive manager of the Louisville association.

PORLTAND, ORE.—A travelog by several members who had visited the Hawaiian Islands following the Credit Congress in San Francisco in May was a high point of the dinner meeting opening the fall season of the Credit Women's Group of the Portland Association of Credit Men. Executive Secretary Allan C. Hopkins of the association spoke, as did Miss Meg Ramage, Group president.

JOHNSON CITY, N.Y.—Edgar W. Couper, president of the First National Bank, Binghamton, N.Y., discussed "Insurance and Credit" at a dinner meeting of the Triple Cities Association of Credit Men (Binghamton, Johnson City and Endicott).

DALLAS, TEXAS—At a series of luncheon addresses, members of the Dallas Wholesale Credit Managers Association heard and saw varied programs. L. B. Thaxton, of Lone Star Gas Company, arranged a showing of a film on natural gas in American industrial history; Harry Hild of Southwest Cigar Company, association past president, directed a question and answer session; Z. E. Avery, local manager of the Social Security Office, discussed changes in the law; E. F. Haragan, trust officer, Texas Bank & Trust Company, spoke on "Wills and Estates"; M. R. Glenn, special agent, American Credit

Indemnity Company, on "Credit Insurance"; W. O. Perlick, Texas Bank & Trust Company, president of the Retail Credit Executives and director of the National Retail Credit Association; Melvin T. Munn, director of administration and public relations of the Blue Cross, Group Hospital Service, Inc., and Group Medical and Surgical Service of Dallas; Judge Grover Hartt, Jr.; Dr. W. B. Irons, president of the Federal Reserve Bank of Dallas, on the economic outlook; Glenn E. Scott, demonstrating the newest method of handling long distance calls, with equipment from the Southwestern Bell Telephone Company.

PITTSBURGH, PA.—The topic "Evaluating and Assisting in Customers' Problems" was discussed at a Credo luncheon of the Credit Association of Western Pennsylvania by James H. Donovan, assistant treasurer, Jones & Laughlin Steel Corporation, and a director of the National Association of Credit Men.

KANSAS CITY, MO.—John Winton, Linde Air Products, Inc., president of the Kansas City Wholesale Credit Association, addressing the Credit Women's Club, presented highlights of the history of the National Association of Credit Men from 1896, and Joe N. Ham, Kansas City secretary, read from the first minutes book of the local association for that year.

SEATTLE, WASH.—Credit functioning in a competitive era was discussed by C. Herbert Bradshaw, N.A.C.M. president, opening the membership year of the Seattle Association of Credit Men.

TOLEDO, OHIO—"Management Is as Good as Its Word" was the provocative theme of Charles E. Irvin, educator and business consultant, addressing a dinner fellowship of the Toledo Association of Credit Men.



EVER BEEN A MISSIONARY? That was the topic of Miss Bess Havens (right), Binghamton, N.Y., addressing a two-day inter-city meeting of the Central New York Credit Women's Groups, in Syracuse. Presiding was Miss Genevieve Monzein (center), president of the Syracuse Group. Miss Katherine B. Kesel (left) was toastmistress. Attending were credit managers and delegates from Rochester, Buffalo and Endicott as well as Binghamton and Syracuse.